

# Annual Report 2023

**Bank of Panhsin Head Office**

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**Spokesman**

Name : Li-Chin Wei

Title : S.E.V.P.

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**Deputy Spokesman**

Name : Chi-Hsun Chang

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**Securities Agent**

Name : Bank of Panhsin, General Affairs Department

Address : No.149-49, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Tel : (02)2736-5189

**Credit Rating Agent**

Taiwan Ratings Corp.

Address : 2F., No.167, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)

Tel : (02)2175-6800

Web Site : [www.taiwanratings.com](http://www.taiwanratings.com)

**Certified Public Accountants for Financial Statements**

KPMG Certified Public Accountants

Name of Accountants : Yung-Sheng Wang, Yuan-Sheng Yin

Address : 68F., No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Tel : (02)8101-6666

Web Site : [www.kpmg.com.tw](http://www.kpmg.com.tw)

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## Bank Overview

The Bank of Panhsin, originally established as the Panchiao Credit Cooperative in 1957, has steadily expanded its operations with a strong customer-centric focus. In 1997, it embraced financial liberalization by absorbing the Kaohsiung Fifth Credit Cooperative, transitioning into a commercial bank to broaden its operational capabilities. Over the years, the bank continued to expand its branch network, by taking over the Chiayi First Credit Cooperative in 2005, which brought its branch count to 46, and the Ninth Credit Cooperative of Taipei in 2014, raising the total to 64 branches.

To support balanced urban-rural development under government initiatives, new branches were opened in 2018, 2019 and 2023 in Kaohsiung City's Yanchao District, Miaoli County's Tongluo Township, and Taichung City's Shigang, increasing the branch network to 67, with a significant presence in New Taipei and Taipei (48 branches).

In 2011, the bank's headquarters moved to the Panhsin Twin Towers in the Xinban Special District, enhancing both internal collaboration and customer service. Moving forward, Bank of Panhsin is committed to its core values of "integrity, practicality, and innovation." It aims to deliver comprehensive financial services, expand its operations, improve asset quality, and optimize profitability, aspiring to become a well-rounded, mid-sized commercial bank with strong professional capabilities.

### I 、Date of establishment

Panchiao Credit Cooperative was established on April 25, 1957, officially opened on July 5, 1957 and officially transformed into a commercial bank on September 30, 1997.

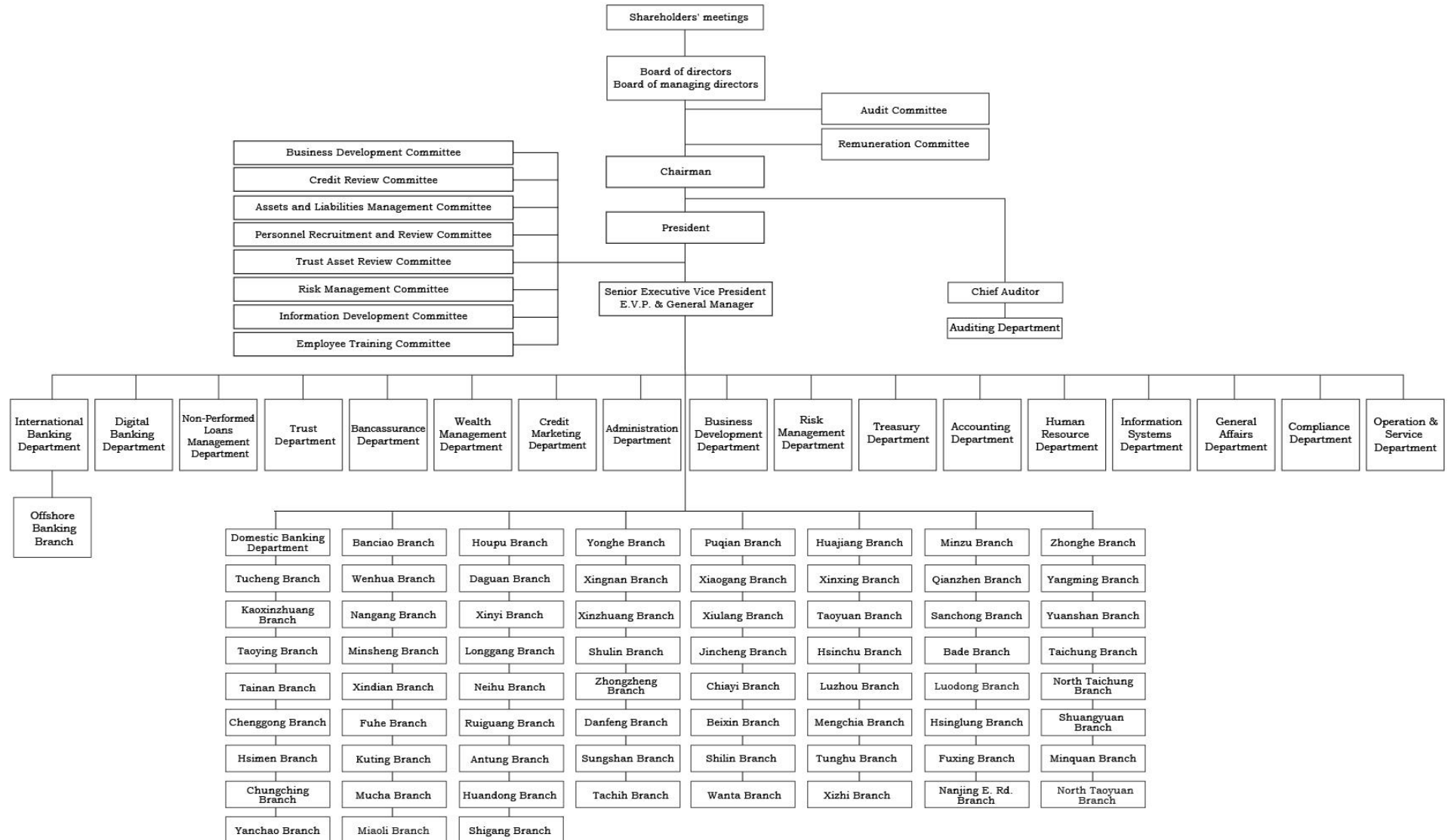
### II 、Credit rating

Rating Agency	Date	Long-Term	Short-Term	Outlook
Taiwan Ratings Corp.	Oct. 19, 2023	twBBB	twA-2	Positive

# Corporate Governance

## I、Organizational Chart

Baseline date: February 29, 2024



## II 、Profiles of Directors and Chairman

Baseline date: December 31, 2022

Position	Nationality	Name	Gender / Age	On-Board Date	Term (Year)	First elected	Shareholding when elected		Current shareholding		Current shareholding by spouse and underage children (Note 3)		Major career (academic) achievements	Current job position at the Bank and other companies
							No. of shares	Percentage of shares	No. of shares	Percentage of shares	No. of shares	Percentage of shares		
Chairman	R.O.C	Representative of Hsinhui Construction Co., Ltd.: Ming-Daw Chang	Male / 61~70	2021.07.15	3	2021.07.15	1,173,973	0.08	1,338,751	0.08	-	-	Masters, Department of Law, Chinese Culture University/ Chairman, Chang Hwa Commercial Bank Deputy Chairman, Taiwan Financial Holding Co.,Ltd. Director General, Executive Yuan, Banking Bureau, FSC.	Independent Director, PharmaEngine Co., Ltd. President, Bank of Panhsin (concurrently) (Note 1)
Independent (Managing) Director	R.O.C	Peter Lin	Male / 71~80	2021.07.15	3	2018.06.20	-	-	-	-	-	-	Department of Enterprise Management, Fu Jen Catholic University/ Chairman, Taiwan Cooperative Bills Finance Corporation President, Taiwan Cooperative Bank	-
Managing Director	R.O.C	Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	Female / 61~70	2021.07.15	3	2006.06.20	38,236,861	2.53	43,603,804	2.53	-	-	Blessed Imelda's School/ Chairman, Sanlight Construction Co., Ltd.	Chairman, Dashun Construction Co., Ltd. Chairman, Yuanchih Investment Co., Ltd. Chairman, Sanlight Construction Co., Ltd. Chairman, Sanjun Construction Co., Ltd. Chairman, Xinghui International Co., Ltd. Director, Sanxin Electrical and Mechanical Engineering Co., Ltd. Director, Sun Hui Construction Co., Ltd. Director, Tianlu Construction Ltd. Interim Manager, Sanchunshun Enterprise Co., Ltd.

Position	Nationality	Name	Gender / Age	On-Board Date	Term (Year)	First elected	Shareholding when elected		Current shareholding		Current shareholding by spouse and underage children (Note 3)		Major career (academic) achievements	Current job position at the Bank and other companies
							No. of shares	Percentage of shares	No. of shares	Percentage of shares	No. of shares	Percentage of shares		
Managing Director	R.O.C	Dai-Ming Kuo	Male / 81~90	2021.07.15	3	1997.09.30	8,986,070	0.60	10,247,358	0.60	2,915,548	0.17	Masters, Meijo University/ Director, Panchiao Credit Cooperative	Chairman, SEH Biotechnology Co., Ltd. Chairman, Chingyen International Co., Ltd. Chairman, Panhsin Asset Management Co., Ltd. Chairman, Aizia Technology Co., Ltd. Director, Mashangfa International Enterprise Co., Ltd Director, Panhsin Charitable Foundation
Director	R.O.C	Tung-Jen Lin	Male / 71~80	2021.07.15	3	2006.06.20	9,740,138	0.65	11,107,267	0.65	815,198	0.05	Tamkang University/ E.V.P. & General Manager, Bank of Panhsin	Chairman, Aking Enterprise Co., Ltd. Chairman, Kinpoti Enterprise Co., Ltd. Director, Tripod Development and Construction Co., Ltd. Director, Panhsin Asset Management Co., Ltd.
Director	R.O.C	Representative of Yao Chen International Ltd.: Lin-Long Chien	Female / 71~80	2021.07.15	3	2021.07.15	7,212,372 -	0.48 -	13,957,305 -	0.81 -	- 1,453,301	- 0.08	Chihlee University of Technology/ Supervisor, Panchiao Credit Cooperative	Chairman, Yong Song Construction Co., Ltd. Director, Panhsin Asset Management Co., Ltd. Director, Hechung Recreation Co., Ltd. Director, Zhuang-Yuan Lou Co., Ltd. Director, Fuxi Construction Co., Ltd. Director, Yao Chen International Ltd. Director, Yung Song International Investment Ltd. Responsible person, Fruits wholesaler No. 4498 Supervisor, MRT Hotel Co., Ltd.
Director	R.O.C	Representative of Tianlu Construction Ltd.: Yueh-Shuang Chiu	Male / 71~80	2021.07.15	3	2015.06.25	280,524 -	0.02 -	319,897 11,196,793	0.02 0.65	- -	-	Department of Affairs Management, Shih Chien - College of Home Economics/ Chairman, Paifu Construction Co., Ltd.	Director, Chaochung Construction Co., Ltd.

Position	Nationality	Name	Gender / Age	On-Board Date	Term (Year)	First elected	Shareholding when elected		Current shareholding		Current shareholding by spouse and underage children (Note 3)		Major career (academic) achievements	Current job position at the Bank and other companies
							No. of shares	Percentage of shares	No. of shares	Percentage of shares	No. of shares	Percentage of shares		
Director	R.O.C	Representative of Hanchia Construction Co., Ltd.: Biing-Hwa Liu	Male / 61~70	2021.07.15	3	2006.06.20	71,791 -	0.00 -	81,866 513,173	0.00 0.03	- 4,735	- 0.00	Bachelor, Department of Law, National Taiwan University/ M.P.A., University of Southern California, USA/ Ph.D., California Intercontinental University/ Members of the Legislative Yuan/ Secretary of the presidency/ Deputy Secretary-General of the National Security Council	Chairman, Yongthai Development Co., Ltd. Chairman, Shanhaifeng Development Co., Ltd. Director, Panhsin Asset Management Co., Ltd. Director, Advancetek Enterprise Co., Ltd. Director, Lihpao Life Science Co., Ltd. Supervisor, Haishan Land Construction Co., Ltd. Supervisor, Hanchia Construction Co., Ltd. Supervisor, Yichang Development Co., Ltd. Supervisor, Jiuru Construction Co., Ltd. Supervisor, Haicheng Construction Co., Ltd.
Director	R.O.C	Yao-Chih Chu	Male / 51~60	2021.07.15	3	2012.06.19	3,723,041	0.25	5,318,716	0.31	167,423	0.01	Fu Jen Catholic University/ Director, Bank of Panhsin	-
Director	R.O.C	Shiaan-Jung Chiou	Male / 61~70	2021.07.15	3	2018.06.20	1,354,297	0.09	1,544,385	0.09	44,929	0.00	Masters, Department of Radio, Television & Film, Temple University	-
Independent Director	R.O.C	Mao-Chuan Lin	Male / 71~80	2021.07.15	3	2018.06.20	-	-	-	-	-	-	Department of Law, Soochow University/ - Members and convener of the Board of Examiners, Examination Yuan of R.O.C.	-
Independent Director	R.O.C	Carol Sun	Female / 61~70	2021.07.15	3	2021.07.15	-	-	-	-	-	-	Masters, University of Warwick UK Management of Business Excellence/ E.V.P. Chang Hwa Commercial Bank	Director, Lotusbio Technology Development Corp.

Note 1 : The former president, Bank of Panhsin retired on June 1, 2023. To ensure the continuity of business operations and development while searching for a suitable candidate, the Chairman temporarily assumed the role of president. The new president's appointment has been approved by the regulatory authorities and took office on April 8, 2024.

Note 2 : "Shareholding by nominee shareholders" & "Any other manager, director, or supervisor whose spouse or family members within the second degree of kinship": N/A.

Note 3 : The Current shareholding and Percentage of shares columns were based on the 1,720,442,112 shares actually issued on December 31, 2023.

Note 4 : "Panhsin Charitable Foundation" is the abbreviation of "Provincial Private Panhsin Social Welfare Charitable Foundation".

Note 5 : Director reelection was held on July 15, 2021.

### III 、Profiles of President, S.E.V.P., E.V.P. & General Manager, and heads of departments and branch offices

Baseline date: December 31, 2023

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
President (Chairman)	R.O.C	Ming-Daw Chang	2023.06.01	2,918,630	0.17	-	-	Masters, Department of Law, Chinese Culture University/ Chairman, Bank of Panhsin	Independent Director, PharmaEngine Co., Ltd.
S.E.V.P. & Chief Information Security Officer	R.O.C	Li-Chin Wei	2014.04.21	155,131	0.01	5,059	0.00	Master, Department of International Business, Tamkang University/ S.E.V.P., Bank of Panhsin	Supervisor, Panhsin Asset Management Co., Ltd.
Chief Auditor	R.O.C	Hsin-Mao Huang	2019.04.22	227,114	0.01	465	0.00	Department of Accounting, Fu Jen Catholic University/ S.E.V.P., Bank of Panhsin	Director, Panhsin Charitable Foundation.
Chief Compliance & Anti Money Laundering Officer & General Manager, Compliance Department	R.O.C	Chi-Hsun Chang	2020.11.01	187,172	0.01	-	-	Master, Institute of Economics, National Taiwan University/ S.E.V.P., Bank of Panhsin	Director, Panhsin Charitable Foundation.
S.E.V.P.	R.O.C	Jia-Tai Huang	2023.12.01	-	-	-	-	Department of Accounting, National Chung-Hsing University/ General Manager, E.Sun.Commercial Bank	-
General Manager, Trust Department	R.O.C	Shu-Yu Wu	2017.03.20	16,989	0.00	-	-	Department of shipping & Transportation management, National Taiwan Ocean University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Business Development Department	R.O.C	Sharon Chen	2022.03.03	18,285	0.00	-	-	Master of Science in Management(Finance), Fu Jen Catholic University/ E.V.P. & General Manager, Bank of Panhsin	Director, Panhsin International Leasing Co., Ltd.
General Manager, Non-Performed Loans Management Department	R.O.C	Yun-Mei Meng	2021.02.01	40,465	0.00	-	-	MBA, School of Business Administration, Saint Louis University,USA/ General Manager, Bank of Panhsin	Director, Panhsin International Leasing Co., Ltd.
General Manager, Operation & Service Department	R.O.C	Mao-Sen Kao	2019.06.24	201,290	0.01	14,166	0.00	Business Administration, National Taipei University of Business/ General Manager, Bank of Panhsin	-
General Manager, Wealth Management Department	R.O.C	Yi-Fang Wen	2023.05.08	12,336	0.00	-	-	Master, Department of Radio & Television, National Chengchi University/ General Manager, Bank of Panhsin	-



Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Risk Management Department	R.O.C	Shih-Yang Liu	2021.02.01	29,727	0.00	-	-	MBA, Graduate School of Business Administration, University of Southern California, USA/ General Manager, Bank of Panhsin	Director, Panhsin International Leasing Co., Ltd.
General Manager, Bancassurance Department	R.O.C	Tsung-Hsin Liu	2023.05.08	-	-	-	-	Department of Chinese Literature, Tunghai University/ General Manager, Bank of Panhsin	-
General Manager, International Banking Department & Offshore Banking Branch	R.O.C	Shing-Fen Lin	2022.03.03	52,776	0.00	-	-	International Banking and Finance, University of Birmingham, UK/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Credit Marketing Department	R.O.C	Chung-Wei Wang	2018.11.26	72,510	0.00	-	-	Department of Business Administration, Tamsui Institute of Business Administration/ E.V.P. & General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Information Systems Department & Digital Banking Department	R.O.C	Mei-Yu Hsiao	2019.06.24	29,772	0.00	-	-	Ph.D., Department of Electrical Engineering, National Taiwan University/ E.V.P. & General Manager, Bank of Panhsi	-
General Manager, Human Resource Department	R.O.C	Ta-Huang Chen	2014.10.27	61,816	0.00	-	-	Master, Department of Business Administration, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, General Affairs Department	R.O.C	Chu-Hui Li	2022.09.11	35,229	0.00	-	-	Department of Information Management, Fortune Institute of Technology/ General Manager, Bank of Panhsin	-
General Manager, Accounting Department & Corporate Governance officer	R.O.C	Chiung-Chi Huang	2011.08.01	75,098	0.00	-	-	Accounting Statistics, Chihlee Business Vocational School/ General Manager, Bank of Panhsin	Supervisor, Panhsin International Leasing Co., Ltd.
General Manager, Treasury Department	R.O.C	Kevin Lee	2007.04.02	128,192	0.01	168,269	0.01	Department of Statistics, National Cheng Kung University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Administration Department	R.O.C	Yu-yun Ouyang	2022.08.01	12,112	0.00	-	-	Master, Department of Business Administration, Shih Chien University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Domestic Banking Department	R.O.C	Yu-Tsi Yo	2020.03.23	34,688	0.00	-	-	Department of International Business, Soochow University/ E.V.P. & General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Banciao Branch	R.O.C	Su-Ching Chien	2020.01.20	55,195	0.00	-	-	Department of Statistics, Feng Chia University/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Houpu Branch	R.O.C	Cheng-Lung Yeh	2021.02.01	25,534	0.00	-	-	Department of International Trade, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Yonghe Branch	R.O.C	Shu-Min Liu	2017.05.10	77,506	0.00	-	-	Executives master of business administration, National Yang Ming Chiao Tung University/ General Manager, Bank of Panhsin	-
General Manager, Puqian Branch	R.O.C	Ling-Hui Kao	2020.07.22	72,731	0.00	-	-	Master, Social sciences, Administrative management, National Chengchi University/ General Manager, Bank of Panhsin	-
General Manager, Huajiang Branch	R.O.C	Yi-Min Wan	2015.01.26	98,405	0.01	19,418	0.00	Department of International Trade, Chihlee Business Vocational School/ General Manager, Bank of Panhsin	-
General Manager, Minzu Branch	R.O.C	Fang-Li Cheng	2021.02.01	38,850	0.00	-	-	Master, Department of International Business, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Zhonghe Branch	R.O.C	Ya-hui Wang	2022.04.06	6,427	0.00	-	-	Department of Economics, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, Tucheng Branch	R.O.C	Jung-Tien Shiao	2020.03.30	39,742	0.00	-	-	Master, Institute of Economics, National Taiwan University/ General Manager, Bank of Panhsin	-
General Manager, Wenhua Branch	R.O.C	Ryan Chang	2023.05.08	86,701	0.01	-	-	Department of Law, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, Daguan Branch	R.O.C	Ying-An Hsieh	2016.01.25	39,501	0.00	22,243	0.00	Department of Economics, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, Xingnan Branch	R.O.C	Chi-Ching Chuang	2021.06.28	15,911	0.00	-	-	Master, Department of Finance and International Business, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Xiaogang Branch	R.O.C	Mei-Hao Wang	2018.01.29	28,304	0.00	-	-	Master, Institute of Wealth Taxation Management, National Kaohsiung Applied Sciences University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Xingxing Branch	R.O.C	Wen-Chung Huang	2022.04.01	-	-	-	-	Department of Applied Business, Open College Affiliated With National Taichung Institute of Technology/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Qianzhen Branch	R.O.C	Ching-Shun Wang	2023.05.08	44,124	0.00	-	-	Department of Enterprise Management, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, Yangming Branch	R.O.C	Chien-Tai Su	2023.05.08	43,938	0.00	-	-	Department of Financial, National Sun Yat-Sen University/ General Manager, Bank of Panhsin	-
General Manager, Kaoxizhuang Branch	R.O.C	Hsian-Chin Kuo	2018.01.29	61,610	0.00	-	-	Department of Finance and Banking, Shih Chien University/ General Manager, Bank of Panhsin	-
General Manager, Nangang Branch	R.O.C	Ming-Chou Tsai	2020.07.13	31,653	0.00	-	-	Department of Statistic, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Xinyi Branch	R.O.C	Eric Liu	2020.01.20	72,360	0.00	-	-	Department of Banking and Finance, Takming University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Xinzhuang Branch	R.O.C	I-Ching Lin	2021.12.20	-	-	-	-	Department of Business Administration, Chaoyang University of Technology/ General Manager, Bank of Panhsin	-
General Manager, Xiulang Branch	R.O.C	Ping-Hung Tsao	2018.01.29	81,331	0.00	7,935	0.00	Master, Graduate Institute of Economics, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, Taoyuan Branch	R.O.C	Yi-Pong Yu	2018.11.26	53,790	0.00	-	-	Department of Banking and Insurance, Hsing Wu Business Vocational School/ General Manager, Bank of Panhsin	-
General Manager, Sanchong Branch	R.O.C	Ming-Dao Luo	2021.02.01	7,264	0.00	-	-	Department of Law, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, Yuanshan Branch	R.O.C	Pei-Yun Lin	2018.08.01	10,058	0.00	-	-	Department of Finance and Banking, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Taoying Branch	R.O.C	Chun-Hung Chen	2018.11.22	16,407	0.00	-	-	Department of Economics, Feng Chia University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
E.V.P. & General Manager, Minsheng Branch	R.O.C	Henry Chien	2020.01.20	-	-	-	-	Department of Transportation and Engineering, National Chiao Tung University/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Longgang Branch	R.O.C	June-Fang Chien	2018.01.29	30,055	0.00	-	-	Department of Industrial Economics, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Shulin Branch	R.O.C	Chih-Chieh Hsu	2022.04.06	7,264	0.00	-	-	Department of Tourism Business, Hsing Wu junior College of Commerce School/ General Manager, Bank of Panhsin	-
General Manager, Jincheng Branch	R.O.C	Jui-Ching Li	2019.02.23	3,630	0.00	-	-	Department of Finance and Banking, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Hsinchu Branch	R.O.C	Ming-Hsing Shih	2020.01.20	69,630	0.00	-	-	Department of Accounting, Chung Yuan Christian University/ General Manager, Bank of Panhsin	-
General Manager, Bade Branch	R.O.C	Rui-Dian Chen	2020.01.20	104,289	0.01	-	-	Master, Department of International Business, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Taichung Branch	R.O.C	Chun-Nan Pan	2023.05.08	11,392	0.00	-	-	Department of Economics, Tunghai University/ General Manager, Bank of Panhsin	-
General Manager, Tainan Branch	R.O.C	Chin-Chu Wu	2022.04.01	37,403	0.00	-	-	Department of International Business, Feng Chia University/ General Manager, Bank of Panhsin	-
General Manager, Xindian Branch	R.O.C	Chao-Chung Lin	2018.11.22	73,680	0.00	-	-	Department of Accounting, Feng Chia University/ General Manager, Bank of Panhsin	-
General Manager, Neihu Branch & Ruiguang Branch	R.O.C	Heng-Yu Chang	2016.03.01	25,769	0.00	-	-	Master, Executive of Business Administration, National Chengchi University/ General Manager, Bank of Panhsin	-
General Manager, Zhongzheng Branch	R.O.C	Tommy Chen	2018.09.25	7,348	0.00	-	-	Master, Department of Management, National Taipei University/ General Manager, Bank of Panhsin	-
General Manager, Chiayi Branch	R.O.C	Hung-Chang Chiang	2022.08.30	19,663	0.00	-	-	Department of Finance and Banking, Tatung Institute of Technology/ General Manager, Bank of Panhsin	-
General Manager, Yanchao Branch	R.O.C	Lu-shan Lai	2022.04.06	-	-	-	-	Department of Risk Management and Insurance, National Kaohsiung First University of Science and Technology/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Luzhou Branch	R.O.C	Cheng-Lung Lin	2021.03.01	12,281	0.00	-	-	Department of Statistics, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Luodong Branch	R.O.C	Te-Wei Lee	2019.02.23	603,396	0.04	-	-	Department of Theatre Arts, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, North Taichung Branch	R.O.C	Fu-Yuan Shih	2020.09.01	51,005	0.00	-	-	Department of Agribusiness Management, National Pingtung Institute Of Commerce/ General Manager, Bank of Panhsin	-
General Manager, Chenggong Branch	R.O.C	Tsung-Che Tsai	2016.07.25	18,401	0.00	-	-	Department of Business Administration, National Chung Hsing University/ General Manager, Bank of Panhsin	-
General Manager, Fuhe Branch	R.O.C	Wei-Hsin Chung	2019.02.23	2,548	0.00	-	-	Department of Economics, Tunghai University/ General Manager, Bank of Panhsin	-
General Manager, Danfeng Branch	R.O.C	Joe Harn	2019.02.23	17,517	0.00	-	-	Master, Department of Banking and Finance, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Beixin Branch	R.O.C	Hsing-Po Hsu	2023.05.08	4,909	0.00	-	-	Master, Department of International Business Management, Da-Yeh University / General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Mengchia Branch	R.O.C	Shu-Chuan Wei	2020.01.20	182,250	0.01	4,735	0.00	Department of Banking and Insurance, National Taipei University of Business/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Hsinglung Branch	R.O.C	Chung-Wei Liao	2018.11.26	54,748	0.00	-	-	Department of Real Estate and Built Environment, National Chung Hsing University/ General Manager, Bank of Panhsin	-
General Manager, Shuangyuan Branch	R.O.C	Fang-Ming Huang	2016.06.27	78,093	0.00	527	0.00	Master, Department of Business Administration and Service Industry Management, Chihlee University of Technology/ General Manager, Bank of Panhsin	-
General Manager, Hsimen Branch	R.O.C	Pao-Chen Huang	2023.05.08	30,858	0.00	-	-	Department of Finance & Banking, Tamsui Institute Of Business Administration/ General Manager, Bank of Panhsin	-
General Manager, Kuting Branch	R.O.C	Ming-Jen Chen	2019.02.23	14,117	0.00	-	-	Department of Accounting Statistics, Tamsui Institute Of Business Administration/ General Manager, Bank of Panhsin	-
General Manager, Antung Branch	R.O.C	Jason Lee	2018.09.25	18,876	0.00	-	-	Master, Department of Financial Management, National Chi Nan University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Sungshan Branch	R.O.C	Su-Chen Chen	2022.04.06	55,754	0.00	-	-	International Trade Section, Takming University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Shilin Branch	R.O.C	Yi-Chin Teng	2023.05.08	2,485	0.00	-	-	Department of Business Administration, China University of Technology/ General Manager, Bank of Panhsin	-
General Manager, Tunghu Branch	R.O.C	Shu-Ching Hsu	2023.04.01	34,659	0.00	-	-	Master, Department of Finance and International Business, Fu Jen University/ General Manager, Bank of Panhsin	-
General Manager, Fuxing Branch	R.O.C	Ying-Chi Chen	2018.11.26	7,466	0.00	-	-	Department of Statistics, Ming Chuan University/ General Manager, Bank of Panhsin	-
General Manager, Minquan Branch	R.O.C	Anthony Chang	2018.01.29	10,018	0.00	-	-	Department of Business Administration, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, Chungching Branch	R.O.C	Hui-Mei Liu	2021.02.01	151,371	0.00	-	-	Department of Business Information Division, Open College Affiliated with National Taipei University of Business/ General Manager, Bank of Panhsin	-
General Manager, Mucha Branch	R.O.C	Ching-Ping Tsai	2020.01.20	38,192	0.00	-	-	Department of Economics, Soochow University/ General Manager, Bank of Panhsin	-
General Manager, Huandong Branch	R.O.C	Ming-Hsuan Huang	2020.10.21	36,076	0.00	-	-	Department of Finance, Lunghwa University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Tachih Branch	R.O.C	Kuang-Chung Huo	2018.01.29	88,526	0.01	-	-	Ph.D.Programs in Management, National Kaohsiung First University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Wanta Branch	R.O.C	Shih-Yang Chien	2020.07.22	2,508	0.00	-	-	Department of Banking and Finance, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Xizhi Branch	R.O.C	Zhi-Yin Chen	2023.06.05	7,604	0.00	-	-	Department of Applied Commerce, Open College Affiliated with National Taipei University of Business/ General Manager, Bank of Panhsin	-
General Manager, Nanjing E. Rd. Branch	R.O.C	Ming-Hung Lin	2022.02.24	13,244	0.00	-	-	Department of Information Management, Chaoyang University of Technology/ General Manager, Bank of Panhsin	-
General Manager, North Taoyuan Branch	R.O.C	Nai-Che Cheng	2020.07.01	1,279-	0.00	-	-	Master, Department of Economics, National Tsing Hua University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shareholding		Shareholding by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Miaoli Branch	R.O.C	Allen Chen	2019.12.16	-	-	-	-	Department of Finance and Banking, Yu Da University of Business/ General Manager, Bank of Panhsin	-
General Manager, Shigang Branch	R.O.C	Chun-Hsien Lee	2023.09.25	-	-	-	-	Department of Economics, Tunghai University/ General Manager, Bank of Panhsin	

Note 1 : The former president, Bank of Panhsin retired on June 1, 2023. To ensure the continuity of business operations and development while searching for a suitable candidate, the Chairman temporarily assumed the role of president. The new president's appointment has been approved by the regulatory authorities and took office on April 8, 2024.

Note 2 : "Shareholding by nominee shareholders" & "Any other manager whose spouse or family members within the second degree of kinship":  
N/A.

#### IV 、The Changes in Shareholding

##### (I) Changes of equity interests by Directors, Supervisors, Managers, and those needing to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Individual Parties and Aggregate Related Parties"

Baseline date: February 29, 2024

Position	Name	2023		By the end of February 2024	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
Chairman	Hsinhui Construction Co., Ltd.	43,983	(1,000,000)	-	-
Representative of corporate Chairman (President)	Ming-Daw Chang	95,889	-	-	-
Managing Director (Major shareholder)	Sanlight Construction Co., Ltd.	1,432,573	-	-	-
Representative of corporate Managing Director (Major shareholder)	Mei-Yun Liao	1,298,531	11,900,000	-	-
Managing Director	Dai-Ming Kuo	336,670	-	-	-
Director	Tung-Jen Lin	364,921	-	-	-
Director	Yao Chen International Ltd	458,557	-	-	-
Representative of corporate Director	Lin-Long Chien	-	-	-	-
Director	Tianlu Construction Ltd.	10,510	-	-	-
Representative of corporate Director	Yueh-Shuang Chiu	367,863	-	-	-
Director	Hanchia Construction Co., Ltd	2,689	-	-	-
Representative of corporate Director	Biing-Hwa Liu	16,859	-	-	-
Director	Yao-Chih Chu	771,437	-	48,000	-
Director	Shiaan-Jung Chiou	50,739	-	-	-
An individual who needs to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Aggregate Related Parties" (Major shareholder)	Ping-Hui Liu	1,548,344	38,950,000 (10,000,000)	-	-
	Baiyuan Investment Co., Ltd.	10,289,542	5,500,000	-	-
	Fuching Investment Co., Ltd.	6,228,479	8,400,000 (6,000,000)	-	-
	Jingqing Investment Co., Ltd.	2,075,693	11,920,000	-	-
	Yuanmao Construction Co., Ltd.	870,993	25,605,000	-	-
	Yuanchih Investment Co., Ltd.	5,772,920 (8,000,000)	12,800,000 (8,050,000)	-	-
	Xinghui International Co., Ltd.	88,366,991	26,100,000	-	-



Position	Name	2023		By the end of February 2024	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
An individual who needs to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Aggregate Related Parties"	Hsiu-Lan Liu	1,247	-	-	-
	Shun-Chih Liu	13	-	-	-
	Hsiu-Hsia Liu	2,388	-	-	-
	Si-Hui Liu	19,894	-	-	-
	Chao-Hsuan Liu	13,795	-	-	-
	Chao-Tong Liu	9,875	-	-	-
	Ke-Huang Liao	544	-	-	-
S.E.V.P.	Li-Chin Wei	5,096			
Chief Auditor	Hsin-Mao Huang	7,461	-	-	-
S.E.V.P.	Chi-Hsun Chang	6,149	-	-	-
S.E.V.P.	Jia-Tai Huang	-	-	-	-
General Manager	Shu-Yu Wu	558	-	-	-
E.V.P. & General Manager	Sharon Chen	600	-	-	-
General Manager	Yun-Mei Meng	1,329	-	-	-
General Manager	Mao-Sen Kao	6,613	-	-	-
General Manager	Yi-Fang Wen	405	-	-	-
General Manager	Shih-Yang Liu	976	-	-	-
General Manager	Tsung-Hsin Liu	-	-	-	-
General Manager	Shing-Fen Lin	1,733	-	-	-
E.V.P. & General Manager	Chung-Wei Wang	2,382	-	-	-
E.V.P. & General Manager	Mei-Yu Hsiao	978	-	-	-
General Manager	Ta-Huang Chen	2,030	-	-	-
General Manager	Chu-Hui Li	1,157	-	-	-
General Manager	Chiung-Chi Huang	2,467	-	-	-
General Manager	Kevin Lee	4,211	-	-	-
General Manager	Yu-yun Ouyang	397	-	-	-
E.V.P. & General Manager	Yu-Tsi Yo	1,139	-	-	-
E.V.P. & General Manager	Su-Ching Chien	1,813	-	-	-
General Manager	Cheng-Lung Yeh	838	-	-	-
General Manager	Shu-Ming Liu	2,546	-	-	-
General Manager	Ling-Hui Kao	2,389	-	-	-
General Manager	Yi-Min Wan	3,233	-	-	-
General Manager	Fang-Li Cheng	1,276	-	-	-
General Manager	Ya-hui Wang	211	-	-	-
General Manager	Jung-Tien Shiao	1,305	-	-	-
General Manager	Ryan Chang	2,848	-	-	-

Position	Name	2023		By the end of February 2024	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
General Manager	Ying-An Hsieh	1,297	-	-	-
General Manager	Chi-Ching Chuang	522	-	-	-
General Manager	Mei-Hao Wang	929	-	-	-
E.V.P. & General Manager	Wen-Chung Huang	-	-	-	-
General Manager	Ching-Shun Wang	1,449	-	-	-
General Manager	Chien-Tai Su	1,443	-	-	-
General Manager	Hsian-Chin Kuo	2,024	-	-	-
General Manager	Ming-Chou Tsai	1,039	-	-	-
General Manager	Eric Liu	2,377	-	-	-
General Manager	I-Ching Lin	-	-	-	-
General Manager	Ping-Hung Tsao	2,672	-	-	-
General Manager	Yi-Pong Yu	1,767	-	-	-
General Manager	Ming-Dao Luo	238	-	-	-
General Manager	Pei-Yun Lin	330	-	-	-
General Manager	Chun-Hung Chen	539	-	-	-
E.V.P. & General Manager	Henry Chien	-	-	-	-
General Manager	June-Fang Chien	987	-	-	-
General Manager	Chih-Chieh Hsu	238	-	-	-
General Manager	Jui-Ching Li	119	-	-	-
General Manager	Ming-Hsing Shih	2,287	-	-	-
General Manager	Rui-Dian Chen	3,426	-	-	-
General Manager	Chun-Nan Pan	374	-	-	-
General Manager	Chin-Chu Wu	1,228	-	-	-
General Manager	Chao-Chung Lin	2,420	-	-	-
General Manager	Heng-Yu Chang	846	-	-	-
General Manager	Tommy Chen	241	-	-	-
General Manager	Hung-Chang Chiang	646	-	-	-
General Manager	Lu-shan Lai	-	-	-	-
General Manager	Cheng-Lung Lin	403	-	-	-
General Manager	Te-Wei Lee	19,824	-	-	-
General Manager	Fu-Yuan Shih	1,675	-	-	-
General Manager	Tsung-Che Tsai	604	-	-	-
General Manager	Wei-Hsin Chung	83	-	-	-
General Manager	Joe Harn	575	-	-	-
General Manager	Hsing-Po Hsu	161	-	-	-
E.V.P. & General Manager	Shu-Chuan Wei	5,987	-	-	-
General Manager	Chung-Wei Liao	1,798	-	-	-

Position	Name	2023		By the end of February 2024	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
General Manager	Fang-Ming Huang	2,565	-	-	-
General Manager	Pao-Chen Huang	1,013	-	-	-
General Manager	Ming-Jen Chen	463	-	-	-
General Manager	Jason Lee	620	-	-	-
General Manager	Su-Chen Chen	1,831	-	-	-
General Manager	Yi-Chin Teng	81	-	-	-
General Manager	Ying-Chi Chen	245	-	-	-
General Manager	Anthony Chang	329	-	-	-
General Manager	Hui-Mei Liu	4,973	-	-	-
General Manager	Ching-Ping Tsai	1,254	-	-	-
General Manager	Ming-Hsuan Huang	1,185	-	-	-
General Manager	Kuang-Chung Huo	2,908	-	-	-
General Manager	Shih-Yang Chien	82	-	-	-
General Manager	Zhi-Yin Chen	249	-	-	-
General Manager	Ming-Hung Lin	435	-	-	-
General Manager	Nai-Che Cheng	42	-	-	-
General Manager	Allen Chen	-	-	-	-
General Manager	Chun-Hsien Lee	-	-	-	-

## (II) Equity Transfer Information

Baseline date: February 29, 2024

Name	Reason for transfer	Transaction date	Counterparty	Relationship between counterparty and the bank, Directors, Supervisors, Managers, and those needing to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Individual Parties and Aggregate Related Parties"	No. of shares (shares)
Yao-Chih Chu	Acquisition	2023.01.04	Chun-Lai Chen	-	75,394
Jingqing Investment Co., Ltd.	Acquisition	2023.01.13	Chien-Hui Liao	-	137,000
Yuanchih Investment Co., Ltd.	Disposal	2023.04.20	Xinghui International Co., Ltd.	Same related persons	8,000,000
Sun Hui Construction Co., Ltd.	Disposal	2023.04.20	Xinghui International Co., Ltd.	Same related persons	77,463,754
Xinghui International Co., Ltd.	Acquisition	2023.04.20	Yuanchih Investment Co., Ltd.	Same related persons	8,000,000
Xinghui International Co., Ltd.	Acquisition	2023.04.20	Sun Hui Construction Co., Ltd.	Same related persons	77,463,754
Jingqing Investment Co., Ltd.	Acquisition	2023.07.11	Chien-Hui Liao	-	66,000
Jingqing Investment Co., Ltd.	Acquisition	2023.07.11	Cheng-Tung Liao	-	197,000
Baiyuan Investment Co., Ltd.	Acquisition	2023.07.25	Bi-Wan Chen	-	5,000,000
Yao-Chih Chu	Acquisition	2023.09.04	Hao-Ran Chiang	-	50,000
Yao-Chih Chu	Acquisition	2023.09.04	Ching-Hsin Chiang	-	50,000
Yao-Chih Chu	Acquisition	2023.10.19	Guei-Mei Chu Lin	The first degree of kinship	156,000
Yao-Chih Chu	Acquisition	2023.11.30	Mao-Yang Chu	The first degree of kinship	283,009

Name	Reason for transfer	Transaction date	Counterparty	Relationship between counterparty and the bank, Directors, Supervisors, Managers, and those needing to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Individual Parties and Aggregate Related Parties"	No. of shares (shares)
Yao-Chih Chu	Acquisition	2024.02.16	Guei-Mei Chu Lin	The first degree of kinship	48,000

**(III) Equity pledge information : The counterparties of equity pledge are not related parties, thus it is not applicable.**

## V 、Relationship among the Top-10 Shareholders

Baseline date: December 31, 2023

Name	Shareholding		Shareholding by spouse and underage children		Total shareholding by nominee arrangement		Titles, names, and relationship of parties, spouse, relative of the second degree or closer, in relation to top 10 shareholders.	
	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares	Name	Relationship
Representative of Fuching Investment Co., Ltd.: Wei-Ren Liao	189,578,667	11.02	-	-	-	-	Baiyuan Investment Co., Ltd.	Chairman Same person
Representative of Yuanchih Investment Co., Ltd.: Mei-Yun Liao	175,712,651	10.21	-	-	-	-	Mei-Yun Liao	Chairman
							Ping-Hui Liu	Spouse is the Chairman
							Sanlight Construction Co., Ltd.	Chairman
							Xinghui International Co., Ltd.	Same person
Representative of Baiyuan Investment Co., Ltd.: Wei-Ren Liao	160,999,871	9.36	-	-	-	-	Fuching Investment Co., Ltd.	Chairman Same person
Representative of Xinghui International Co., Ltd.: Mei-Yun Liao	88,366,991	5.14	-	-	-	-	Mei-Yun Liao	Chairman
							Ping-Hui Liu	Spouse is the Chairman
							Yuanchih Investment Co., Ltd.	Chairman
							Sanlight Construction Co., Ltd.	Same person
Representative of Jingqing Investment Co., Ltd.: Chung-Er Lin	49,089,332	2.85	-	-	-	-	Yuanmao Construction Co., Ltd.	Chairman Same person
Ping-Hui Liu	47,127,582	2.74	39,523,911	2.3	-	-	Representative of Yuanchih Investment Co., Ltd.: Mei-Yun Liao	Spouse is the Chairman
							Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	
							Representative of Xinghui International Co., Ltd.: Mei-Yun Liao	
							Mei-Yun Liao	Spouse
Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	43,603,804	2.53	-	-	-	-	Mei-Yun Liao	Chairman
							Ping-Hui Liu	Spouse is the Chairman
							Yuanchih Investment Co., Ltd.	Chairman
							Xinghui International Co., Ltd.	Same person
Mei-Yun Liao	39,523,911	2.30	47,127,582	2.74	-	-	Yuanchih Investment Co., Ltd.	Chairman
							Sanlight Construction Co., Ltd.	
							Xinghui International Co., Ltd.	
							Ping-Hui Liu	Spouse
Representative of Yuanmao Construction Co., Ltd.: Chung-Er Lin	26,510,777	1.54	-	-	-	-	Jingqing Investment Co., Ltd.	Chairman Same person
Chia-Nan Fang	23,057,072	1.34	4,622,973	0.27	-	-	-	-

Note : The No. of shares and Percentage of shares columns were based on the 1,720,442,112 common stocks issued on December 31, 2023.

## VI 、Omnibus Shareholding ratio

Baseline date: December 31, 2023

Investment Transfer	Investment by Bank of Panhsin		Investment by Directors, Supervisors, President, S.E.V.P., E.V.P. & General Managers, heads of departments and branch offices, and entities directly or indirectly controlled by the Bank		Consolidated Investment	
	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares
Hsinruidu Development Co., Ltd.	4,940,000	1.86	-	-	4,940,000	1.86
Financial Information Service Co., Ltd.	6,104,228	1.17	-	-	6,104,228	1.17
Taiwan Depository & Clearing Corporation	542,696	0.08	-	-	542,696	0.08
Yangguang Asset Management Co., Ltd.	69,180	1.15	-	-	69,180	1.15
Taiwan Mobile Payment Co., Ltd.	300,000	0.50	-	-	300,000	0.50
Panhsin Asset Management Co., Ltd.	56,000,000	100.00	-	-	56,000,000	100.00
Panhsin International Leasing Co., Ltd.	41,583,500	100.00	-	-	41,583,500	100.00

Note1 : Investment made in accordance with Article 74 of the Banking Act.

Note2 : Hsinruidu Development Co., Ltd. has gone bankrupt, the investment cost of the account was NT\$4,940,000. The Bank has recognized the cumulative impairment of NT\$4,940,000 and the net book value is zero.

## Fund raising

### I、Capital and Shares

#### (I) Sources of capital

Year/ Month	Issue price	Authorized capital		Paid-in capital		Note		
		No. of shares (thousand shares)	Amount (NT\$1,000)	No. of shares (thousand shares)	Amount (NT\$1,000)	Sources of capital		Others
1997.09	10	600,000	6,000,000	600,000	6,000,000	-	(Note 1)	N/A
2005.06	10	819,800	8,198,000	819,800	8,198,000	the capital increase by surplus/ Cash Capital Increase	(Note 2)	N/A
2006.07	10	1,500,000	15,000,000	819,800	8,198,000	change capital amount	(Note3)	N/A
2006.09	10	1,500,000	15,000,000	855,790	8,557,900	the capital reserves transferred to capital	(Note3)	N/A
2006.12	10	1,500,000	15,000,000	955,790	9,557,900	Cash Capital Increase	(Note4)	N/A
2011.05	10	1,500,000	15,000,000	1,055,790	10,557,900	Cash Capital Increase	(Note5)	N/A
2011.06	10	1,500,000	15,000,000	955,790	9,557,900	preferred shares expired and were redeemed	(Note5)	N/A
2014.05	10	1,500,000	15,000,000	1,105,790	11,057,900	Cash Capital Increase	(Note6)	N/A
2015.08	10	1,500,000	15,000,000	1,141,175	11,411,753	the capital increase by surplus	(Note7)	N/A
2015.12	10	1,500,000	15,000,000	1,221,175	12,211,753	Cash Capital Increase	(Note8)	N/A
2016.11	10	1,800,000	18,000,000	1,262,695	12,626,952	the capital increase by surplus	(Note9)	N/A
2017.08	10	1,800,000	18,000,000	1,276,584	12,765,848	the capital increase by surplus	(Note10)	N/A
2017.11	10	1,800,000	18,000,000	1,356,584	13,565,848	Cash Capital Increase	(Note11)	N/A
2018.09	10	1,800,000	18,000,000	1,375,577	13,755,770	the capital increase by surplus	(Note12)	N/A
2018.12	10	1,800,000	18,000,000	1,420,577	14,205,770	Cash Capital Increase	(Note13)	N/A
2019.09	10	1,800,000	18,000,000	1,444,654	14,446,542	the capital increase by surplus	(Note14)	N/A
2020.08	10	1,800,000	18,000,000	1,508,682	15,086,826	the capital increase by surplus	(Note15)	N/A
2021.10	10	1,800,000	18,000,000	1,581,155	15,811,552	the capital increase by surplus	(Note16)	N/A
2022.08	10	1,800,000	18,000,000	1,663,918	16,639,181	the capital increase by surplus	(Note17)	N/A
2023.08	10	1,800,000	18,000,000	1,720,442	17,204,421	the capital increase by surplus	(Note18)	N/A

Note 1 : Transformation of Panchiao Credit Cooperative.

Note 2 : With June 20, 2005 as the baseline date for capital increase, the capital increase by surplus was NT\$198,000,000; approval was received from FSC on June 24, 2005 in accordance with Jing-Guan-Yin (3) Letter No. 0940015799. With June 24, 2005 as the baseline date for capital increase, the capital increase by issuing of preferred shares was NT\$1,000,000,000. With June 24, 2005 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,000,000,000; approval was received from FSC on September 10, 2004 in accordance with Jing-Guan-Yin (3) Letter No. 0938011560.

Note 3 : On June 20, 2006, the shareholders' meeting passed the resolution to change capital amount to NT\$15 billion; with September 1, 2006 as the baseline date for capital increase, the capital reserves transferred to capital totaled to NT\$359,900,000; approval was received from FSC on July 18, 2006 in accordance with Jing-Guan-Yin (3) Letter No. 09500320330.

Note 4 : With December 28, 2006 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,000,000,000; approval was received from FSC in accordance with Jin-Guan-Yin (3) Letter No. 09500439170 on October 3, 2006 and Jin-Guan-Zheng-Yi-Zi Letter No. 0950150935 on November 14, 2006.

Note 5 : With June 16, 2011 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,000,000,000; approval was received from FSC on May 4, 2011 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1000016060; NT\$1,000,000,000 of preferred shares expired on June 23, 2011 and were redeemed as share prices obtained from issuing of new shares on June 16, 2011.

Note 6 : With May 27, 2014 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,500,000,000; approval was received from FSC on April 11, 2014 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1030009692.

Note 7 : With August 28, 2015 as the baseline date for capital increase, the capital increase by surplus was NT\$353,853,000; approval was received from FSC on August 5, 2015 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1040028772.

Note 8 : With December 10, 2015 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$800,000,000; approval was received from FSC on October 13, 2015 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1040039950.

Note 9 : On June-23, 2016, the shareholders' meeting passed the resolution to change capital amount to NT\$18 billion; with October 3, 2016 as the baseline date for capital increase, the capital increase by surplus was NT\$415,199,000; approval was received from FSC on September 13, 2016.

Note 10 : With August 7, 2017 as the baseline date for capital increase, the capital increase by surplus was NT\$138,896,000; approval was received from FSC on July 20, 2017.

Note 11 : With November 16, 2017 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$800,000,000; approval was received from FSC on September 12, 2017 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1060034708.

Note 12 : With September 3, 2018 as the baseline date for capital increase, the capital increase by surplus was NT\$189,922,000; approval was received from FSC on August 20, 2018.

Note 13 : With December 27, 2018 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$450,000,000; approval was received from FSC on October 11, 2018 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1070336195.

Note 14 : With September 3, 2019 as the baseline date for capital increase, the capital increase by surplus was NT\$240,772,000; approval was received from FSC on August 21, 2019.

Note 15 : With August 17, 2020 as the baseline date for capital increase, the capital increase by surplus was NT\$640,283,000; approval was received from FSC on August 4, 2020.

Note 16 : With October 25, 2021 as the baseline date for capital increase, the capital increase by surplus was NT\$724,726,000; approval was received from FSC on October 15, 2021.

Note 17 : With August 19, 2022 as the baseline date for capital increase, the capital increase by surplus was NT\$827,628,000; approval was received from FSC on August 8, 2022.

Note 18 : With August 4, 2023 as the baseline date for capital increase, the capital increase by surplus was NT\$565,239,000; approval was received from FSC on July 25, 2023.

Type	Shares	Authorized capital (thousand shares)			Note
		Outstanding shares	Unissued shares	Total	
Common Stock		1,720,442,112	79,557,888	1,800,000,000	Became a public issuing company as of November 14, 2006

## (II) Shareholder structure

Baseline date: December 31, 2023

Shareholder structure	Government agencies	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people	3	17	85	96,466	26	96,597
Number of shares held	904,584	594,654,986	210,216,771	913,426,031	1,239,740	1,720,442,112
Percentage of shares (%)	0.05	34.56	12.22	53.10	0.07	100.00

Note : Number of shares held was based on the 1,720,442,112 common stock issued by December 31, 2023.



### (III) Equity Distribution (Denomination of NT\$10 per share)

Baseline date: December 31, 2023

Shareholding range	Number of shareholders	No. of shares held (shares)	Percentage of shares (%)
1 to 999	70,649	31,559,237	1.83
1,000 to 5,000	11,371	35,743,943	2.07
5,001 to 10,000	4,959	33,359,527	1.94
10,001 to 15,000	1,917	25,218,516	1.47
15,001 to 20,000	965	16,780,455	0.98
20,001 to 30,000	2,406	66,011,246	3.84
30,001 to 40,000	1,596	54,283,368	3.16
40,001 to 50,000	462	20,513,068	1.19
50,001 to 100,000	1,411	100,855,451	5.86
100,001 to 200,000	457	61,220,576	3.56
200,001 to 400,000	178	48,019,587	2.79
400,001 to 600,000	63	29,749,184	1.73
600,001 to 800,000	33	22,865,010	1.33
800,001 to 1,000,000	29	25,931,543	1.51
1,000,001 to 10,000,000	83	203,603,769	11.83
10,000,001 to 30,000,000	10	150,724,823	8.76
30,000,001 to 50,000,000	4	179,344,629	10.42
50,000,001 to 100,000,000	1	88,366,991	5.14
100,000,001 to 999,999,999	3	526,291,189	30.59
Total	96,597	1,720,442,112	100.00

Note : Number of shares held and percentage of shares were based on the 1,720,442,112 common stock issued by December 31, 2023.

### (IV) Major shareholders

Baseline date: December 31, 2023

Shares Name of majority shareholders	No. of shares held (shares)	Percentage of shares (%)
Fuching Investment Co., Ltd.	189,578,667	11.02
Yuanchih Investment Co., Ltd.	175,712,651	10.21
Baiyuan Investment Co., Ltd.	160,999,871	9.36
Xinghui International Co., Ltd.	88,366,991	5.14
Jingqing Investment Co., Ltd.	49,089,332	2.85
Ping-Hui Liu	47,127,582	2.74
Sanlight Construction Co., Ltd.	43,603,804	2.53
Mei-Yun Liao	39,523,911	2.30
Yuanmao Construction Co., Ltd.	26,510,777	1.54
Chia-Nan Fang	23,057,072	1.34
Jin An Nian Construction Co., Ltd.	18,814,515	1.09

Note 1 : List only shareholders with a shareholding ratio of more than 1% of the shareholders or shareholdings in the top 10.

Note 2 : Number of shares held and percentage of shares were based on the 1,720,442,112 common stock issued by December 31, 2023.

## II 、 Issuance of financial instruments

Baseline date: December 31, 2023

Order of Share Issuance	15 <sup>th</sup>	16 <sup>th</sup>	17 <sup>th</sup>
Term	2016 Term 1	2016 Term 2	2017 Term 1
Date and serial NO. approved by authority	July 25, 2016 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 10500180450		April 6, 2016 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 10500079110
Date of issue	August 31, 2016	September 30, 2016	March 22, 2017
Denomination (NT\$)	NT\$1 million		
Place of issue and trading	R.O.C.		
Currency	TWD		
Issue price	Fully issued at denomination		
Total	NT\$1,216 million	NT\$410 million	NT\$397 million
Interest rate	Fixed : 4.75%		Fixed : 2.5%
Term	Maturity date: N/A		7 years Maturity date: March 22, 2024
Claim Priority	Second		
Terms of repayment	Redeemable after the issue date up to 5 years with approval		Lump-sum at maturity
Unpaid Balance	NT\$1,216 million	NT\$410 million	NT\$397 million
Previous-year paid-in capital	NT\$12,212 million		NT\$12,627 million
Previous-year net value after settlement	NT\$13,181 million		NT\$13,300 million
Contract Implementation	-		
Provisions for redemption or advanced settlement	Redeemable after the issue date up to 5 years with approval		-
Criteria for conversion and exchange	-		
Restrictive terms	Sales limited to the Professional Investor was defined under the "Regulations Governing Offshore Structured Products"		Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3
Capital Allocation Plan	Adequate capital structure		
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	44.88	47.99	46.79
Conformance to regulatory capital and its associated category	Yes, Category I		Yes, Category II
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.		
	October 30, 2015		October 26, 2016
	twBBB-		Long term:twBBB-/ Short term:twA-3

Order of Share Issuance	18 <sup>th</sup>	19 <sup>th</sup>	20 <sup>th</sup>
Term	2017 Term 2	2017 Term 3	2017 Term 4
Date and serial NO. approved by authority	April 6, 2016 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 10500079110	July 25, 2016 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 10500180450	
Date of issue	March 31, 2017	April 28, 2017	July 21, 2017
Denomination (NT\$)	NT\$1 million		
Place of issue and trading	R.O.C.		
Currency	TWD		
Issue price	Fully issued at denomination		
Total	NT\$305 million	NT\$150 million	NT\$133 million
Interest rate	Fixed：2.5%	Fixed：4.75%	
Term	7 years Maturity date: March 31, 2024	Maturity date: N/A	
Claim Priority	Second		
Terms of repayment	Lump-sum at maturity	Redeemable after the issue date up to 5 years with approval	
Unpaid Balance	NT\$305 million	NT\$150 million	NT\$133 million
Previous-year paid-in capital	NT\$12,627 million		
Previous-year net value after settlement	NT\$13,300 million		
Contract Implementation	-		
Provisions for redemption or advanced settlement	-	Redeemable after the issue date up to 5 years with approval	
Criteria for conversion and exchange	-		
Restrictive terms	Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3. "	Sales limited to the Professional Investor was defined under the "Regulations Governing Offshore Structured Products"	
Capital Allocation Plan	Adequate capital structure		
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	49.08	50.21	51.21
Conformance to regulatory capital and its associated category	Yes, Category II	Yes, Category I	
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.		
	October 26, 2016		
	Long term:twBBB-/ Short term:twA-3		

Order of Share Issuance	21 <sup>st</sup>	22 <sup>nd</sup>
Term	2017 Term 5	2019 Term 1
Date and serial NO. approved by authority	July 14, 2017 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 10600163460	April 2, 2019 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 10802046230
Date of issue	November 15, 2017	June 26, 2019
Denomination (NT\$)	NT\$10 million	
Place of issue and trading	R.O.C.	
Currency	TWD	
Issue price	Fully issued at denomination	
Total	NT\$700 million	NT\$660 million
Interest rate	Fixed : 2.50%	Fixed : 2.25%
Term	7 years Maturity date: November 15, 2024	7 years Maturity date: June 26, 2026
Claim Priority	Second	
Terms of repayment	Lump-sum at maturity	
Unpaid Balance	NT\$700million	NT\$660million
Previous-year paid-in capital	NT\$12,627 million	NT\$14,206 million
Previous-year net value after settlement	NT\$13,300 million	NT\$15,404 million
Contract Implementation	-	
Provisions for redemption or advanced settlement	-	
Criteria for conversion and exchange	-	
Restrictive terms	Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3	
Capital Allocation Plan	Adequate capital structure	
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	56.47	45.25
Conformance to regulatory capital and its associated category	Yes, Category II	
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.	
	October 26, 2016	October 29, 2018
	Long term:twBBB-/ Short term:twA-3	Long term:twBBB-/ Short term:twA-3

Order of Share Issuance	23 <sup>rd</sup>	24 <sup>th</sup>
Term	2021 Term 1	2021 Term 2
Date and serial NO. approved by authority	October 19, 2020 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 1090227025	
Date of issue	June 28, 2021	September 29, 2021
Denomination (NT\$)	NT\$10 million	
Place of issue and trading	R.O.C.	
Currency	TWD	
Issue price	Fully issued at denomination	
Total	NT\$1,000 million	
Interest rate	Fixed : 1.50%	
Term	7 years Maturity date: June 28, 2028	7 years Maturity date: September 29, 2028
Claim Priority	Second	
Terms of repayment	Lump-sum at maturity	
Unpaid Balance	NT\$1,000 million	
Previous-year paid-in capital	NT\$15,087 million	
Previous-year net value after settlement	NT\$17,635 million	
Contract Implementation	-	
Provisions for redemption or advanced settlement	-	
Criteria for conversion and exchange	-	
Restrictive terms	Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3	
Capital Allocation Plan	Adequate capital structure	
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	28.19	33.86
Conformance to regulatory capital and its associated category	Yes, Category II	
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp. October 12, 2020 Long term:twBBB/ Short term:twA-2	

Order of Share Issuance	25 <sup>th</sup>
Term	2023 Term 1
Date and serial NO. approved by authority	October 18, 2023 Letter NO. (FSC) Jing-Guan-Yin-He-Zi 1120230423
Date of issue	December 25, 2023
Denomination (NT\$)	NT\$10 million
Place of issue and trading	R.O.C.
Currency	TWD
Issue price	Fully issued at denomination
Total	NT\$880 million
Interest rate	Fixed : 2.70%
Term	7 years Maturity date: December 25, 2030
Claim Priority	Second
Terms of repayment	Lump-sum at maturity
Unpaid Balance	NT\$880 million
Previous-year paid-in capital	NT\$16,639 million
Previous-year net value after settlement	NT\$19,315 million
Contract Implementation	-
Provisions for redemption or advanced settlement	-
Criteria for conversion and exchange	-
Restrictive terms	Sales limited to the Professional Investor was defined under the "Regulations Governing Offshore Structured Products".
Capital Allocation Plan	Adequate capital structure
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	35.47
Conformance to regulatory capital and its associated category	Yes, Category II
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.
	October 19, 2023
	Long term:twBBB/ Short term:twA-2

## Overview of Business Operations

### I、Scope of business

#### (I) Primary business revenue breakdown

##### 1. Deposit

Unit : NT\$ thousand

Category	End of December 2023		End of December 2022		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Current Deposit	118,888,368	42.02	119,625,485	43.91	(737,118)	(0.62)
Check Deposit	2,255,991	0.80	2,113,379	0.78	142,613	6.75
Demand Deposit	55,462,248	19.60	54,308,690	19.93	1,153,558	2.12
Demand Savings Deposit	61,170,128	21.62	63,203,417	23.20	(2,033,288)	(3.22)
Time Deposit	163,750,655	57.87	152,520,866	55.98	11,229,789	7.36
Time Deposit	71,359,155	25.22	68,326,024	25.08	3,033,131	4.44
Negotiable Certificates of Deposit (NCD)	250,800	0.09	334,300	0.12	(83,500)	(24.98)
Time Savings Deposit	92,140,700	32.56	83,860,542	30.78	8,280,158	9.87
Interest-drawing Savings Deposit	74,113,040	26.19	67,657,569	24.83	6,455,471	9.54
Non-interest-drawing Time Savings Deposit	17,943,376	6.34	16,120,789	5.92	1,822,588	11.31
Installment Savings Deposit	84,284	0.03	82,184	0.03	2,100	2.56
Re-deposit from Post Office & Deposit from peer banks	311,412	0.11	311,452	0.11	(40)	(0.01)
Total Deposits	282,950,434	100.00	272,457,803	100.00	10,492,631	3.85

Note : Total Deposits include TWD and foreign currency deposit.

##### 2. Credit business

##### (1) TWD loans

Unit : NT\$ thousand

Category	End of December 2023		End of December 2022		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Secured overdraft	16,198	0.01	15,034	0.01	1,164	7.74
Short-term loans	11,990,558	6.29	10,165,134	5.80	1,825,424	17.96
Short-term secured loans	34,492,410	18.09	35,087,548	20.01	(595,138)	(1.70)
Mid-term loans	23,810,601	12.49	21,057,198	12.01	2,753,402	13.08
Mid-term secured loans	77,419,937	40.61	67,614,736	38.55	9,805,201	14.50
Long-term loans	3,043,474	1.60	1,965,639	1.12	1,077,835	54.83
Long-term secured loans	39,855,486	20.91	39,463,936	22.50	391,549	0.99
Total outstanding loan balance in TWD	190,628,665	100.00	175,369,226	100.00	15,259,438	8.70

## (2) Corporate foreign currency loans

Unit : US\$ thousand

Category	End of December 2023		End of December 2022		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Export bill	688	0.12	428	0.07	260	60.80
Short-term loans	112,697	19.00	157,178	24.36	(44,481)	(28.30)
Short-term secured loans	4,517	0.76	9,600	1.49	(5,083)	(52.95)
Mid-term loans	390,863	65.88	383,288	59.41	7,575	1.98
Mid-term secured loans	59,876	10.09	68,986	10.69	(9,109)	(13.20)
Long-term loans	18,094	3.05	18,534	2.87	(440)	(2.38)
Long-term secured loans	6,549	1.10	7,190	1.11	(641)	(8.92)
Total outstanding loan balance in Foreign currency	593,284	100.00	645,205	100.00	(51,921)	(8.05)

## 3. Wealth management and trust services

Unit : NT\$ thousand

Primary Businesses	2023		2022		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Special monetary trust in domestic and offshore securities	189,434	35.73	168,660	34.67	20,774	12.32
Real-estate trust (development and management)	56,693	10.69	55,672	11.44	1,021	1.83
Other trusts	19,908	3.76	24,268	4.99	(4,360)	(17.97)
Fee income subtotal	266,035	50.18	248,600	51.10	17,435	7.01
Insurance	264,177	49.82	237,920	48.90	26,257	11.04
Fee income grand total	530,212	100.00	486,520	100.00	43,692	8.98

## 4. Debt collection and management services

Non-Performing Loans (NPL) amounted to NT\$263,549,000 (NPL ratio of 0.13%) by the end of 2023, witnessing a net decrease for NT\$110,839,000 comparing to the NPL by the end of 2022 (net decrease for NPL ratio of 0.06%).



## 5. Foreign currencies

Unit : US\$ thousand

Category	End of December 2023		End of December 2022		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Imports	1,128,269	10.89	1,772,340	13.63	(644,070)	36.34
Exports	175,185	1.69	354,901	2.73	(179,716)	50.64
Outward remittance	4,495,915	43.39	5,075,178	39.04	(579,263)	11.41
Inward remittance	4,563,451	44.04	5,797,845	44.60	(1,234,394)	21.29
Total	10,362,819	100.00	13,000,263	100.00	(2,637,444)	20.29
Foreign currency deposit balance	1,246,099	-	1,293,283	-	(47,184)	3.65
Foreign currency loan balance	593,284	-	645,205	-	(51,921)	8.05

## 6. Primary business as a percentage of the Bank's total assets and its changes

Unit : NT\$ thousand

Primary businesses	End of December 2023		End of December 2022	
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)
Total assets	325,745,487	100.00	309,059,043	100.00
Loans and discounts	206,569,514	63.41	193,168,226	62.50
Deposits at the CBC as well as loans to other banks	15,582,662	4.78	12,531,867	4.05
Investments in bills, bonds, and securities	76,597,217	23.51	74,582,840	24.13
Others	26,996,094	8.29	28,776,110	9.31
Total liabilities	304,613,502	93.51	289,719,515	93.74
Deposits and remittances	282,624,089	86.76	272,169,540	88.06
Deposits from CBC and peer banks	926,112	0.28	1,271,358	0.41
Financial bonds payable	6,851,000	2.10	5,971,000	1.93
Others	14,212,301	4.36	10,307,617	3.34

Note : Compiled in accordance with the International Financial Reporting Standards (IFRSs) for consolidated statements.

## 7. Various business revenue as a percentage of operating revenue and its changes

Unit : NT\$ thousand

Primary businesses	2023		2022	
	Amount	As a percentage of net income (%)	Amount	As a percentage of net income (%)
Net interest income	3,652,947	72.27	3,634,687	71.82
Non-interest income	1,401,856	27.73	1,426,146	28.18
Net fee income	1,086,188	21.49	1,029,541	20.34
Financial asset or financial liability measured at fair value through profit (loss)	75,610	1.50	15,961	0.32
Financial assets measured at fair value through other comprehensive profit or loss have realized interest	61,361	1.21	56,966	1.13
Exchange gains	44,566	0.88	173,835	3.43
Reversal gains from asset impairments (losses)	2,273	0.04	(303)	(0.01)
Other non-interest income	131,858	2.61	150,146	2.97
Net income	5,054,803	100.00	5,060,833	100.00

Note : Compiled in accordance with the International Financial Reporting Standards (IFRSs) for consolidated statements.

## II 、Employees

Year		2022	2023	Now until February 29, 2024
Number of employees	Staff	1,367	1,318	1,324
	Service personnel	26	14	51
	Total	1,393	1,332	1,375
Average age		42.11	43.02	42.49
Average years of services		12.55	13.44	12.74
Academic qualification	Master's Degree or above	11.66	11.71	11.71
	Bachelor's Degree	80.13	81.16	79.49
	High school	7.85	6.98	8.65
	Below high school	0.36	0.15	0.15

## Financial Information

### I、Five-year simplified balance sheet and profit and loss statement

#### (I) Simplified balance sheet

##### 1. Consolidated

Unit: NT\$ thousand

Item \ Year	Financial data over the last five years (Note 2)				
	2023	2022	2021	2020 (Note 3)	2019 (Note 3)
Cash and cash equivalents	6,276,762	8,641,254	4,509,546	4,648,005	4,895,465
Deposits at CBC and interbank loans	15,582,662	12,531,867	11,976,283	10,523,041	9,390,804
Financial assets measured at fair value through profit and loss	4,572,423	1,340,595	939,226	1,705,656	906,373
Financial assets measured at fair value through other comprehensive income	16,406,768	16,373,923	10,501,789	17,812,485	16,750,207
Debt instrument investments measured at amortised cost	53,516,316	52,109,021	48,975,492	38,431,131	36,957,425
Investment in resale bills and bonds	2,101,710	4,759,301	5,476,644	1,356,035	649,478
Accounts receivables -net	6,360,806	6,237,894	4,149,404	6,461,964	5,937,371
Current income tax assets	36,698	7,306	927	927	42,541
Loans and discounts -net	206,569,514	193,168,226	187,502,893	179,152,449	165,944,398
Other financial assets -net	-	8,902	11,429	8,594	-
Property and equipment -net	7,242,567	6,899,122	6,983,848	6,950,661	6,936,681
Right of use asset -net	407,275	441,660	386,225	410,059	366,778
Investment property -net	3,270,171	3,133,155	2,739,152	2,916,188	2,995,539
Intangible assets -net	2,407,046	2,439,175	2,440,460	2,468,569	2,355,794
Deferred taxes assets -net	236,728	262,237	282,990	372,815	420,911
Other assets	758,041	705,405	738,779	748,781	1,152,339
Total assets	325,745,487	309,059,043	287,615,087	273,967,360	255,702,104
Deposits at the CBC and peer banks	926,112	1,271,358	1,853,788	3,112,793	3,404,476
Loans from CBC and peer banks	2,235,000	2,234,000	2,794,360	3,377,240	3,029,000
Financial liabilities at fair value through profit and loss	33,580	10,942	8,391	4,938	4,303
Bills and bonds sold under repurchase agreements	6,169,701	2,432,425	-	303,733	3,165,799
Payables	3,873,886	3,686,483	2,189,660	3,148,399	2,444,450
Current income tax liabilities	128,319	165,698	92,699	34,703	38,137
Deposits and remittances	282,624,089	272,169,540	254,816,044	240,693,330	218,671,761
Financial bonds payable	6,851,000	5,971,000	5,971,000	3,971,000	6,971,000
Other financial liabilities	615,000	550,000	380,000	700,000	630,000
Liability provisions	286,175	267,120	332,303	284,558	246,625
Lease obligations	406,273	443,001	386,982	410,794	371,542
Deferred income tax liabilities	108,823	108,823	108,823	108,823	108,823

Item \ Year		Financial data over the last five years (Note 2)				
		2023	2022	2021	2020 (Note 3)	2019 (Note 3)
Other liabilities		355,544	409,125	289,019	218,842	226,533
Total liabilities	Before distribution	304,613,502	289,719,515	269,223,069	256,369,153	239,312,449
	After distribution	(Note 1)	289,744,474	269,246,786	256,369,153	239,312,449
Equity attributable to parent company shareholders		21,131,985	19,339,528	18,392,018	17,598,207	16,389,655
Share capital	Before distribution	17,204,422	16,639,182	15,811,553	15,086,827	14,446,543
	After distribution	(Note 1)	17,204,422	16,639,182	15,811,553	15,086,827
Capital reserves		554	554	44	-	-
Retained-earnings	Before distribution	4,280,587	3,207,558	2,490,387	1,962,328	1,572,744
	After distribution	(Note 1)	2,617,359	1,639,041	1,237,602	932,460
Other equity		(353,578)	(507,766)	90,034	549,052	370,368
Treasury stock		-	-	-	-	-
Non-controlling shareholders		-	-	-	-	-
Total equity	Before distribution	21,131,985	19,339,528	18,392,018	17,598,207	16,389,655
	After distribution	(Note 1)	19,314,569	18,368,301	17,598,207	16,389,655

Note 1: The aforementioned data obtained after distribution are based on the resolution of the annual shareholders' meeting. Earnings distribution for 2023 has not yet been approved by the shareholders' meeting.

Note 2: The above mentioned financial report has been audited by CPA.

Note 3 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2019-2020 were adjusted.

Note 4: There is no further update from CPA till the publication date of this annual report.

## 2. Individual

Unit: NT\$ thousand

Item \ Year		Financial data over the last five years (Note 2)				
		2023	2022	2021	2020 (Note 3)	2019 (Note 3)
Cash and cash equivalents		6,196,249	8,581,789	4,438,942	4,520,940	4,814,052
Deposits at CBC and interbank loans		15,582,662	12,531,867	11,976,283	10,523,041	9,390,804
Financial assets measured at fair value through profit and loss		4,572,423	1,340,595	939,226	1,705,656	906,373
Financial assets measured at fair value through other comprehensive income		16,406,768	16,373,923	10,501,789	17,812,485	16,750,207
Debt instrument investments measured at amortised cost		53,516,316	52,109,021	48,975,492	38,431,131	36,957,425
Investment in resale bills and bonds		2,081,587	4,739,251	5,456,637	1,336,035	649,478
Accounts receivables -net		2,682,143	2,517,800	803,050	2,445,627	1,581,468
Current income tax assets		-	-	-	-	41,955
Loans and discounts -net		206,569,514	193,168,226	187,502,893	179,152,449	165,944,398
Equity-accounted investments -net		1,069,030	1,054,994	1,024,713	1,028,421	1,006,607
Other financial assets -net		-	8,902	11,429	8,594	-
Property and equipment -net		7,236,521	6,896,892	6,981,167	6,945,957	6,930,606
Right of use asset -net		402,136	436,994	377,889	398,898	352,061
Investment property -net		3,232,238	3,094,822	2,739,152	2,916,188	2,995,539
Intangible assets -net		2,407,046	2,439,175	2,440,460	2,468,569	2,355,794
Deferred taxes assets -net		219,921	220,092	282,990	372,815	420,911
Other assets		596,867	585,120	610,501	567,248	904,023
Total assets		322,771,421	306,099,463	285,062,613	270,634,054	252,001,701
Deposits at the CBC and peer banks		926,112	1,271,358	1,853,788	3,112,793	3,404,476
Funds Borrowed from Central Bank and Banks		-	-	706,360	807,240	-
Financial liabilities at fair value through profit and loss		33,580	10,942	8,391	4,938	4,303
Bills and bonds sold under repurchase agreements		6,169,701	2,432,425	-	303,733	3,165,799
Payables		3,825,943	3,617,497	2,152,233	3,108,161	2,402,215
Current income tax liabilities		123,137	159,387	81,927	25,811	7,648
Deposits and remittances		282,645,596	272,191,916	254,832,657	240,714,957	218,754,650
Financial bonds payable		6,851,000	5,971,000	5,971,000	3,971,000	6,971,000
Liability provisions		286,175	267,120	332,303	284,558	246,625
Lease obligations		400,981	438,093	378,360	399,380	356,686
Deferred income tax liabilities		108,823	108,823	108,823	108,823	108,823
Other liabilities		268,388	291,374	244,753	194,453	189,821
Total liabilities	Before distribution	301,639,436	286,759,935	266,670,595	253,035,847	235,612,046
	After distribution	(Note 1)	286,784,894	266,694,312	253,035,847	235,612,046
Equity attributable to parent company shareholders		21,131,985	19,339,528	18,392,018	17,598,207	16,389,655

Item \ Year		Financial data over the last five years (Note 2)				
		2023	2022	2021	2020 (Note 3)	2019 (Note 3)
Share capital	Before distribution	17,204,422	16,639,182	15,811,553	15,086,827	14,446,543
	After distribution	(Note 1)	17,204,422	16,639,182	15,811,553	15,086,827
Capital reserves		554	554	44	-	-
Retained-earnings	Before distribution	4,280,587	3,207,558	2,490,387	1,962,328	1,572,744
	After distribution	(Note 1)	2,617,359	1,639,041	1,237,602	932,460
Other equity		(353,578)	(507,766)	90,034	549,052	370,368
Treasury stock		-	-	-	-	-
Non-controlling shareholders		-	-	-	-	-
Total equity	Before distribution	21,131,985	19,339,528	18,392,018	17,598,207	16,389,655
	After distribution	(Note 1)	19,314,569	18,368,301	17,598,207	16,389,655

Note 1 : The aforementioned data obtained after distribution are based on the resolution of the annual shareholders' meeting. Earnings distribution for 2023 has not yet been approved by the shareholders' meeting.

Note 2 : The above mentioned financial report has been audited by CPA.

Note 3 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2019-2020 were adjusted.

Note 4 : There is no further update from CPA till the publication date of this annual report.

## (II) Profit and loss statement

## 1. Consolidated

Unit: NT\$ thousand

Item \ Year	Financial data over the last five years (Note 1)				
	2023	2022	2021	2020 (Note 2)	2019 (Note 2)
Interest income	7,993,377	5,731,232	4,409,906	4,318,872	4,597,948
Less: Interest expenses	4,340,430	2,096,545	1,302,571	1,567,646	2,000,543
Net interest income	3,652,947	3,634,687	3,107,335	2,751,226	2,597,405
Non-interest net income	1,401,856	1,426,146	1,318,974	1,312,179	1,365,171
Net operating income	5,054,803	5,060,833	4,426,309	4,063,405	3,962,576
Bad loan expenses and provisions for guarantee liabilities	120,206	284,302	282,496	113,228	106,743
Operating expenses	3,025,242	2,906,906	2,863,778	2,811,589	2,819,962
Pre-tax profit (loss) from continuing operations	1,909,355	1,869,625	1,280,035	1,138,588	1,035,871
Income tax gains (expenses)	(221,650)	(224,165)	(240,106)	(125,060)	(149,843)
Current profit (loss) from continuing operations	1,687,705	1,645,460	1,039,929	1,013,528	886,028
Profit ( loss) from discontinuing operations	-	-	-	-	-
Net profit (loss) for the current period	1,687,705	1,645,460	1,039,929	1,013,528	886,028
Other comprehensive profit (loss)	129,711	(674,743)	(246,162)	195,024	125,180
Other comprehensive income(loss) for the current period (net, after-tax)	129,711	(674,743)	(246,162)	195,024	125,180
Total comprehensive income (loss) for the current period	1,817,416	970,717	793,767	1,208,552	1,011,208
Net profit attributable to parent company shareholders	1,687,705	1,645,460	1,039,929	1,013,528	886,028
Net profit attributable to non-controlling shareholders	-	-	-	-	-
Total comprehensive income attributable to parent company shareholders	1,817,416	970,717	793,767	1,208,552	1,011,208
Total comprehensive income attributable to non-controlling shareholders	-	-	-	-	-
Earnings (loss) per share	0.98	0.96	0.62	0.64	0.59

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2019-2020 were adjusted.

Note 3 : There is no further update from CPA till the publication date of this annual report.

## 2.Individual

Unit: NT\$ thousand

Item \ Year	Financial data over the last five years (Note 1)				
	2023	2022	2021	2020 (Note 2)	2019 (Note 2)
Interest income	7,763,229	5,556,406	4,206,664	4,063,932	4,404,845
Less: Interest expenses	4,286,606	2,057,630	1,262,316	1,513,834	1,938,560
Net interest income	3,476,623	3,498,776	2,944,348	2,550,098	2,466,285
Non-interest net income	1,439,127	1,313,548	1,349,081	1,378,952	1,343,393
Net operating income	4,915,750	4,812,324	4,293,429	3,929,050	3,809,678
Bad loan expenses and provisions for guarantee liabilities	54,859	63,171	228,455	82,147	65,241
Operating expenses	2,958,305	2,850,338	2,808,232	2,733,851	2,740,419
Pre-tax profit (loss) from continuing operations	1,902,586	1,898,815	1,256,742	1,113,052	1,004,018
Income tax gains (expenses)	(214,881)	(253,355)	(216,813)	(99,524)	(117,990)
Current profit (loss) from continuing operations	1,687,705	1,645,460	1,039,929	1,013,528	886,028
Profit ( loss) from discontinuing operations	-	-	-	-	-
Net profit (loss) for the current period	1,687,705	1,645,460	1,039,929	1,013,528	886,028
Other comprehensive profit (loss)	129,711	(674,743)	(246,162)	195,024	125,180
Other comprehensive income(loss) for the current period (net, after-tax)	129,711	(674,743)	(246,162)	195,024	125,180
Total comprehensive income (loss) for the current period	1,817,416	970,717	793,767	1,208,552	1,011,208
Net profit attributable to parent company shareholders	1,687,705	1,645,460	1,039,929	1,013,528	886,028
Net profit attributable to non-controlling shareholders	-	-	-	-	-
Total comprehensive income attributable to parent company shareholders	1,817,416	970,717	793,767	1,208,552	1,011,208
Total comprehensive income attributable to non-controlling shareholders	-	-	-	-	-
Earnings (loss) per share	0.98	0.96	0.62	0.64	0.59

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2019-2020 were adjusted.

Note 3 : There is no further update from CPA till the publication date of this annual report.



## II 、Five-year financial analysis

### (I) Consolidated

Unit: NT\$ thousand

Item \ Year		Financial analysis for the last five years (Note 1)				
		2023	2022	2021	2020 (Note 9)	2019 (Note 9)
Operational Efficiency	Loans to deposit ratio (%)	74	72	74	75	77
	Overdue loan ratio (%)	0.13	0.19	0.21	0.26	0.32
	Interest expense as a percentage of annual average deposit balance (%)	1.39	0.67	0.43	0.57	0.75
	Interest income as a percentage of annual average loan balance (%)	3.08	2.35	1.88	2.08	2.37
	Asset turnover rate (times)	0.02	0.02	0.02	0.02	0.02
	Operating revenue per employee	3,695	3,539	2,979	2,729	2,712
	Profit per employee	1,234	1,151	700	681	609
Profitability	Tier 1 capital return ratio (%)	10	10	8	7	7
	Return on assets (%)	0.53	0.55	0.37	0.38	0.35
	Return on equity (%)	8.34	8.72	5.78	5.96	5.60
	Net profit margin (%)	33.39	32.51	23.49	24.94	22.47
	Earnings per share (NT\$)	0.98	0.96	0.62	0.64	0.59
Financial structure	Liabilities to total assets (%)	93	94	94	94	94
	Real estate and equipment as a percentage of total equity (%)	34	36	38	39	42
Growth rate	Asset growth rate (%)	5	7	5	7	3
	Profit growth rate (%)	2	46	12	10	137
Cash Flows	Operating cash flow ratio (%)	(Note 8)	21.31	106.23	106.65	(Note 8)
	Cash flow adequacy ratio (%)	(Note 8)	(Note 8)	(Note 8)	(Note 8)	(Note 8)
	Cash flow satisfied ratio (%)	(Note 8)	(Note 8)	(Note 8)	7,712	(Note 8)
Liquid reserve ratio (%)		19	20	21	20	23
Total secured credit balance of stakeholders		2,346,271	2,393,512	2,000,493	1,909,742	2,037,332
Total secured credit balance of stakeholders as a percentage of total credit balance (%)		1.07	1.18	1.01	1.03	1.19
Operating scale	Asset market share (%)	0.39	0.38	0.38	0.38	0.38
	Equity market share (%)	0.38	0.39	0.37	0.37	0.36
	Deposit market share (%)	0.48	0.49	0.49	0.50	0.49
	Loan market share (%)	0.55	0.54	0.57	0.58	0.58

The causes of changes in each financial ratio for the preceding two fiscal years (except when the change is less than 20%)

1. Decrease in overdue loan ratio : Mainly due to the decline in overdue loans in 2023 compared to 2022.
2. Increase in interest expense as a percentage of annual average deposit balance : Mainly due to the interest expense growth in 2023.
3. Increase in interest income as a percentage of annual average loan balance : Mainly due to interest income growth in 2023.
4. Decrease in Asset growth rate : Mainly due to the decline in extent of asset growth in 2023.
5. Decrease in Profit growth rate : Mainly due to the decline in extent of income before tax in 2023.

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : Calculation formulas used are as follows :

1. Operational efficiency
  - (1) Loans to deposit ratio = Total loans / Total deposits.
  - (2) Overdue loan ratio = Total overdue loans / Total loans.
  - (3) Interest expenses to average deposit balances = Total deposit balance interest expenses / Annual average deposit balances.
  - (4) Interest Income to average loan balances = Total credit interest income / Annual average loan balances.
  - (5) Total assets turnover rate = Net income / Average total assets.
  - (6) Operating revenue per employee (Note 6) = Net income / Total number of employees.
  - (7) Profit per employee = Net income / Total number of employees.
2. Profitability
  - (1) Tier 1 capital return ratio = Income before tax / Average net Tier 1 capital.
  - (2) Return on assets = Net income / Average total assets.
  - (3) Return on equity = Net income / Average total shareholder equity.
  - (4) Net profit margin = Net income / Net revenue.
  - (5) Earnings per share = (Profit or loss attributable to parent company shareholders – special stock dividends) / Weighted average outstanding shares. (Note 4)
3. Financial structure
  - (1) Liabilities to total assets = Total liabilities / Total assets.
  - (2) Property and equipment to equity ratio = Net value of property and equipment / Net equity value.
4. Growth rate
  - (1) Asset growth rate = (Current total assets – Last year's total assets) / Last year's total assets.
  - (2) Profit growth rate = (Current total earnings – Last year's total earnings) / Last year's total earnings.
5. Cash flow (Note 8)
  - (1) Cash flow ratio = Cash flows from operating activities / (Due to borrow or draw from overdraft limits by banks and peer banks + commercial bills payable + financial liabilities at fair value through income statement + bills and bonds sold under repurchase agreements + accounts payable in 1 year).
  - (2) Net cash flow adequacy ratio = 5-year net cash flow from operations / (5-year capital expenditures + 5-year cash dividends).
  - (3) Cash flow satisfied ratio = Cash flows from operating activities / Cash flows from investing activities.
6. Liquidity reserve ratio = Current assets required by the CBC / Liabilities for which the various current reserve shall be provided.
7. Operating scale
  - (1) Asset market share = Total assets / Total assets of financial institutes which can operate deposits and loans business. (Note 5)
  - (2) Equity market share = Total equities / Total net equities of financial institutes which can operate deposits and loans business.
  - (3) Deposit market share = Total deposits / Total deposits of financial institutes which can operate deposits and loans business.
  - (4) Loan market share = Total loans / Total loans of financial institutes which can operate deposits and loans business.

Note 3 : Total liabilities are net of reserves for losses on guarantees and accidental loss.

Note 4 : When the above formula for calculation of earnings per share is used during measurement, attention should be paid to the following matters:

1. Measurement should be based on the weighted average number of common stock, not the number of issued shares at year end.
2. Where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase by earnings or capital reserves, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax.
5. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, and then no adjustment is required.

Note 5 : Financial institutes which can operate deposits and loans business include banks in Taiwan, Chinese branch banks in Taiwan, foreign branch banks in Taiwan, credit cooperatives, and agriculture or fishery associations.

Note 6 : Operating revenue refers to the sum of interest income and non-interest income.

Note 7 : Attention should be paid to the following matters when carrying out cash flow analysis :

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.

3. Cash dividend includes cash dividends from both common stock and preferred shares.

4. Gross property and equipment value means the total value of property and equipment prior to the subtraction of accumulated depreciation.

Note 8 : Cash flow from operating activities is a net outflow and is therefore not expressed.

Note 9 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2019-2020 were adjusted.

Note 10 : There is no further update from CPA till the publication date of this annual report.

## (II) Individual

Unit: NT\$ thousand

Item \ Year		Financial analysis for the last five years (Note 1)				
		2023	2022	2020	2020 (Note 9)	2019 (Note 9)
Operational Efficiency	Loans to deposit ratio (%)	74	72	74	75	77
	Overdue loan ratio (%)	0.13	0.19	0.21	0.26	0.32
	Interest expense as a percentage of annual average deposit balance (%)	1.39	0.67	0.43	0.57	0.75
	Interest income as a percentage of annual average loan balance (%)	3.08	2.35	1.88	2.08	2.37
	Asset turnover rate (times)	0.02	0.02	0.02	0.02	0.02
	Operating revenue per employee	3,691	3,455	2,951	2,704	2,704
	Profit per employee	1,267	1,181	715	698	632
Profitability	Tier 1 capital return ratio (%)	10	11	8	7	7
	Return on assets (%)	0.54	0.56	0.37	0.39	0.36
	Return on equity (%)	8.34	8.72	5.78	5.96	5.60
	Net profit margin (%)	34.33	34.19	24.22	25.80	23.37
	Earnings per share (NT\$)	0.98	0.96	0.62	0.64	0.59
Financial structure	Liabilities to total assets (%)	93	94	93	93	93
	Real estate and equipment as a percentage of total equity (%)	34	36	38	39	42
Growth rate	Asset growth rate (%)	5	7	5	7	3
	Profit growth rate (%)	0	51	13	11	131
Cash Flows	Operating cash flow ratio (%)	(Note 8)	29.66	98.96	114.16	(Note 8)
	Cash flow adequacy ratio (%)	(Note 8)	(Note 8)	(Note 8)	(Note 8)	(Note 8)
	Cash flow satisfied ratio (%)	(Note 8)	(Note 8)	(Note 8)	15,974	(Note 8)
Liquidity Reserve Ratio (%)		19	20	21	20	23
Total secured credit balance of stakeholders		2,346,271	2,393,512	2,000,493	1,909,742	2,037,332
Total secured credit balance of stakeholders as a percentage of total credit balance (%)		1.07	1.18	1.01	1.03	1.19
Operating scale	Asset market share (%)	0.38	0.38	0.38	0.38	0.38
	Equity market share (%)	0.38	0.39	0.37	0.37	0.36
	Deposit market share (%)	0.48	0.49	0.49	0.50	0.49
	Loan market share (%)	0.55	0.54	0.57	0.58	0.58

The causes of changes in each financial ratio for the preceding two fiscal years (except when the change is less than 20%)

1. Decrease in overdue loan ratio : Mainly due to the decline in overdue loans in 2023 compared to 2022.

2. Increase in interest expense as a percentage of annual average deposit balance : Mainly due to the interest expense growth in 2023.

3. Increase in interest income as a percentage of annual average loan balance : Mainly due to interest income growth in 2023.

4. Decrease in Asset growth rate : Mainly due to the decline in extent of asset growth in 2023.

5. Decrease in Profit growth rate : Mainly due to the decline in extent of income before tax in 2023.

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : Calculation formulas used are as follows :

1. Operational efficiency

- (1) Loans to deposit ratio = Total loans / Total deposits.
- (2) Overdue loan ratio = Total overdue loans / Total loans.
- (3) Interest expenses to average deposit balances = Total deposit balance interest expenses / Annual average deposit balances.
- (4) Interest Income to average loan balances = Total credit interest income / Annual average loan balances.
- (5) Total assets turnover rate = Net income / Average total assets.
- (6) Operating revenue per employee (Note 6) = Net income / Total number of employees.
- (7) Profit per employee = Net income / Total number of employees.

2. Profitability

- (1) Tier 1 capital return ratio = Income before tax / Average net Tier 1 capital.
- (2) Return on assets = Net income / Average total assets.
- (3) Return on equity = Net income / Average total shareholder equity.
- (4) Net profit margin = Net income / Net revenue.
- (5) Earnings per share = (Profit or loss attributable to parent company shareholders – special stock dividends) / Weighted average outstanding shares. (Note 4)

3. Financial structure

- (1) Liabilities to total assets = Total liabilities / Total assets.
- (2) Property and equipment to equity ratio = Net value of property and equipment / Net equity value.

4. Growth rate

- (1) Asset growth rate = (Current total assets – Last year's total assets) / Last year's total assets.
- (2) Profit growth rate = (Current total earnings – Last year's total earnings) / Last year's total earnings.

5. Cash flow (Note 8)

- (1) Cash flow ratio = Cash flows from operating activities / (Due to borrow or draw from overdraft limits by banks and peer banks + commercial bills payable + financial liabilities at fair value through income statement + bills and bonds sold under repurchase agreements + accounts payable in 1 year).
- (2) Net cash flow adequacy ratio = 5-year net cash flow from operations / (5-year capital expenditures + 5-year cash dividends).
- (3) Cash flow satisfied ratio = Cash flows from operating activities / Cash flows from investing activities.

6. Liquidity Reserve Ratio = Current assets required by the CBC / Liabilities for which the various current reserve shall be provided.

7. Operating scale

- (1) Asset market share = Total assets / Total assets of financial institutes which can operate deposits and loans business. (Note 5)
- (2) Equity market share = Total equities / Total net equities of financial institutes which can operate deposits and loans business.
- (3) Deposit market share = Total deposits / Total deposits of financial institutes which can operate deposits and loans business.
- (4) Loan market share = Total loans / Total loans of financial institutes which can operate deposits and loans business.

Note 3 : Total liabilities are net of reserves for losses on guarantees and accidental loss.

Note 4 : When the above formula for calculation of earnings per share is used during measurement, attention should be paid to the following matters:

1. Measurement should be based on the weighted average number of common stock, not the number of issued shares at year end.
2. Where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase by earnings or capital reserves, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax.
5. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, and then no adjustment is required.

Note 5 : Financial institutes which can operate deposits and loans business include banks in Taiwan, Chinese branch banks in Taiwan, foreign branch banks in Taiwan, credit cooperatives, and agriculture or fishery associations.

Note 6 : Operating revenue refers to the sum of interest income and non-interest income.

Note 7 : Attention should be paid to the following matters when carrying out cash flow analysis :

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Cash dividend includes cash dividends from both common stock and preferred shares.
4. Gross property and equipment value means the total value of property and equipment prior to the subtraction of accumulated depreciation.

Note 8 : Cash flow from operating activities is a net outflow and is therefore not expressed.

Note 9 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2019-2020 were adjusted.

Note 10 : There is no further update from CPA till the publication date of this annual report.

### III 、Five-year capital adequacy analysis

#### (I) Consolidated

Unit: NT\$ thousand

Item \ Year			Five-Year Capital Adequacy Ratio (Note 1)				
			2023	2022	2021	2020	2019
Regulatory Capital	Common stock equity		18,444,363	16,617,495	15,633,173	14,414,231	13,243,319
	Other non-ordinary share Tier 1 capital		1,909,000	1,909,000	1,909,000	1,909,000	1,895,251
	Tier 2 capital		5,408,605	5,166,458	5,416,917	3,859,931	3,706,652
	Regulatory capital		25,761,968	23,692,953	22,959,090	20,183,162	18,845,222
Total weighted risk asset	Credit risk	Standardized approach	203,875,777	190,221,525	176,215,481	167,070,345	153,901,372
		Internal rating approach	-	-	-	-	-
		Asset securitisation	-	-	-	-	-
	Operational risk	Basic indicator approach	8,929,425	8,190,388	7,429,125	6,840,688	6,439,788
		Standardized approach/optional standardized approach	-	-	-	-	-
		Advanced approach	-	-	-	-	-
	Market Risk	Standardized approach	322,425	139,750	455,850	992,863	499,613
		Internal modeling approach	-	-	-	-	-
	Total weighted risk asset		213,127,627	198,551,663	184,100,456	174,903,896	160,840,773
	Capital adequacy ratio (%)		12.09	11.93	12.47	11.54	11.72
	Tier 1 capital as a percentage of risk assets (%)		9.55	9.33	9.53	9.33	9.41
Common stock equity as a percentage of risk assets (%)		8.65	8.37	8.49	8.24	8.23	
Leverage ratio (%)		5.96	5.73	5.76	5.71	5.71	

Reason of change to capital adequacy ratio for the past two periods : Change is less than 20% and is therefore not analyzed.

Note 1 : The aforementioned calculations were audited by the CPA.

Note 2 : The regulatory capital, weighted risk asset, and exposure measurement were calculated in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks and Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets.

Note 3 : Calculation formulas used are as follows :

1. Regulatory capital = Common stock equity + other non-common stock equity Tier 1 capital + Tier 2 capital.
2. Total weighted risk assets = Credit risk weighted risk assets + capital for (Operational risks + Market risks) × 12.5
3. Capital adequacy ratio = Regulatory capital / Total weighted risk assets.
4. Tier 1 capital as a percentage of risk assets = (Common stock equity + other non-common stock equity Tier 1 capital) / Total weighted risk assets.
5. Common stock equity as a percentage of risk assets = Common stock equity / Total weighted risk assets.
6. Leverage ratio = Net Tier 1 capital value / total exposure value.

Note 4 : There is no further update from CPA till the publication date of this annual report.

## (II) Individual

Unit: NT\$ thousand

Item \ Year			Five-Year Capital Adequacy Ratio (Note 1)				
			2023	2022	2021	2020	2019
Regulatory Capital	Common stock equity		18,461,170	16,659,639	15,376,994	14,157,126	12,991,667
	Other non-ordinary share Tier 1 capital		1,909,000	1,909,000	1,652,822	1,651,895	1,643,599
	Tier 2 capital		5,393,215	5,150,925	4,860,729	3,291,959	3,203,348
	Regulatory Capital		25,763,385	23,719,564	21,890,545	19,100,980	17,838,614
Total weighted risk asset	Credit risk	Standardized approach	202,644,606	188,978,923	172,708,997	162,769,450	149,260,597
		Internal rating approach	-	-	-	-	-
		Asset securitisation	-	-	-	-	-
	Operational risk	Basic indicator approach	8,606,775	7,871,388	7,218,638	6,672,588	6,322,775
		Standardized approach/optional standardized approach	-	-	-	-	-
		Advanced approach	-	-	-	-	-
	Market Risk	Standardized approach	321,925	139,250	455,350	992,363	499,613
		Internal modeling approach	-	-	-	-	-
	Total weighted risk asset		211,573,306	196,989,561	180,382,985	170,434,401	156,082,985
	Capital adequacy ratio (%)			12.18	12.04	12.14	11.21
Tier 1 capital as a percentage of risk assets (%)			9.63	9.43	9.44	9.28	9.38
Common stock equity as a percentage of risk assets (%)			8.73	8.46	8.52	8.31	8.32
Leverage ratio (%)			6.02	5.79	5.65	5.61	5.61

Reason of change to capital adequacy ratio for the past two periods : Change is less than 20% and is therefore not analyzed.

Note 1 : The aforementioned calculations were audited by the CPA.

Note 2 : The regulatory capital, weighted risk asset, and exposure measurement were calculated in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks and Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets.

Note 3 : Calculation formulas used are as follows :

1. Regulatory capital = Common stock equity + other non-common stock equity Tier 1 capital + Tier 2 capital.
2. Total weighted risk assets = Credit risk weighted risk assets + capital for (Operational risks + Market risks) × 12.5
3. Capital adequacy ratio = Regulatory capital / Total weighted risk assets.
4. Tier 1 capital as a percentage of risk assets = (Common stock equity + other non-common stock equity Tier 1 capital) / Total weighted risk assets.
5. Common stock equity as a percentage of risk assets = Common stock equity / Total weighted risk assets.
6. Leverage ratio = Net Tier 1 capital value / total exposure value.

Note 4 : There is no further update from CPA till the publication date of this annual report.



**BANK OF PANHSIN****Parent Company Only Financial Statements****With Independent Auditors' Report  
For the Years Ended December 31, 2023 and 2022**

**Address: No. 68, Sec. 2, Xianmin Blvd., Banqiao Distr., New Taipei City, Taiwan,  
R.O.C.**

**Telephone: (02)2962-9170**

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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## **Independent Auditors' Report**

To the Board of Directors of Bank of Panhsin:

### **Opinion**

We have audited the financial statements of Bank of Panhsin (“the Bank”), which comprise the statements of financial position as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Public Banks”.

### **Basis for Opinion**

We conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, Rule No. 10802731571 issued by the Financial Supervisory Commission, and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with The Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **1. Impairment of Loans and Receivables**

Please refer to note 4(f) “loans and receivables” for related accounting policy, note 5 for the uncertainty of accounting estimation and assumptions, and notes 6(g), (h), (i), (u) and (an) for the details of the impairment of loans and receivables.

Description of key audit matters:

The Bank mainly engages in loan business. The Bank's loans and receivables are significant to its overall financial statements. Assessment on the impairment of loans and receivables, provisions for guarantee liabilities, and provisions for loan commitments rely on the management's assumptions of probability of default (PD) and expected credit loss (ECL). These assumptions are influenced by the historical experiences, current market conditions and forward-looking estimation, and therefore, have high uncertainty risks. Consequently, the impairment of loans and receivables has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding and assessing the Bank's internal control procedures for loans and bad debt assessment; testing whether the loans and receivables are classified into each stage of expected credit loss according to the procedures for loans and bad debt assessment; testing whether the input values used for probability of default (PD) and expected credit loss (ECL) of each stage of expected credit loss are based on reasonable and verifiable information (including forward looking macroeconomic information). We also assessed whether the impaired amounts recognized by the management are in accordance with the related regulations issued by the authority.

## 2. Impairment of Goodwill

Please refer to note 4(k) "Intangible assets" for related accounting policy, note 5 for the uncertainty of accounting estimation and assumptions, and note 6(n) for the details of the impairment of goodwill.

Description of key audit matters:

As of December 31, 2023, the Bank has goodwill amounting to \$2,197,921 thousand from its merger and acquisition activities over the years. Since the recoverable amount of goodwill depends on the management's estimation of discounted future cash flows, it relies on the management's subjective judgment of future operations and is highly uncertain. Therefore, we considered impairment of goodwill a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing how management identifies cash-generating units; understanding and testing management's assumptions on future operating plans; and comparing actual performance with forecasts to inspect the reasonableness of forecasts and future cash flows.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks" and for such internal control as management determines necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Bank's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wang, Yung-Sheng and Yin, Yuan-Sheng.

KPMG

Taipei, Taiwan (Republic of China)  
February 21, 2024

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**Bank of Panhsin Statements of**  
**Financial Position December 31,**  
**2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

		<b>December 31, 2023</b>		<b>December 31, 2022</b>				<b>December 31, 2023</b>		<b>December 31, 2022</b>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Liabilities and Equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
11000	Cash and cash equivalents (note 6(a))	\$ 6,196,249	2	8,581,789	3	21000	Deposits from Central Bank and other banks (note 6(p))	\$ 926,112	-	1,271,358	-
11500	Due from Central Bank and call loans to banks (note 6(b))	15,582,662	5	12,531,867	4	22000	Financial liabilities at fair value through profit or loss (note 6(c))	33,580	-	10,942	-
12000	Financial assets at fair value through profit or loss (note 6(c))	4,572,423	1	1,340,595	-	22500	Securities sold under repurchase agreements (note 6(q))	6,169,701	2	2,432,425	1
12100	Financial assets at fair value through other comprehensive income (notes 6(d) and 8)	16,406,768	5	16,373,923	6	23000	Payables (notes 6(r) and (aa))	3,825,943	1	3,617,497	1
12200	Investment in debt instruments at amortized cost (notes 6(e) and 8)	53,516,316	17	52,109,021	17	23200	Current income tax liabilities	123,137	-	159,387	-
12500	Securities purchased under resell agreements (note 6(f))	2,081,587	1	4,739,251	2	23500	Deposits and remittances (notes 6(s) and 7)	282,645,596	88	272,191,916	90
13000	Receivables, net (note 6(g))	2,682,143	1	2,517,800	1	24000	Financial debenture (notes 6(t) and 7)	6,851,000	2	5,971,000	2
13500	Loans and discounts, net (notes 6(h) and 7)	206,569,514	64	193,168,226	63	25600	Provisions (notes 6(u) and (x))	286,175	-	267,120	-
15000	Investments accounted for using equity method, net (note 6(j))	1,069,030	-	1,054,994	-	26000	Lease liabilities (notes 6(v) and 7)	400,981	-	438,093	-
15500	Other financial assets, net (note 6(i))	-	-	8,902	-	29300	Deferred tax liabilities (note 6(y))	108,823	-	108,823	-
18500	Property and equipment, net (note 6(k))	7,236,521	2	6,896,892	2	29500	Other liabilities (notes 6(k) and (w))	<u>268,388</u>	<u>-</u>	<u>291,374</u>	<u>-</u>
18600	Right-of-use assets, net (notes 6(l) and 7)	402,136	-	436,994	-		<b>Total liabilities</b>	<u>301,639,436</u>	<u>93</u>	<u>286,759,935</u>	<u>94</u>
18700	Investment property, net (note 6(m))	3,232,238	1	3,094,822	1		<b>Equity:</b>				
19000	Intangible assets, net (note 6(n))	2,407,046	1	2,439,175	1		Share capital (notes 6(z) and (aa)):				
19300	Deferred tax assets, net (note 6(y))	219,921	-	220,092	-	31101	Ordinary shares	<u>17,204,422</u>	<u>5</u>	<u>16,639,182</u>	<u>5</u>
19500	Other assets, net (notes 6(o) and 8)	596,867	-	585,120	-		Capital surplus (note 6(z)):				
						31599	Other capital surplus	<u>554</u>	<u>-</u>	<u>554</u>	<u>-</u>
							Retained earnings (notes 6(d) and (aa)):				
						32001	Legal reserve	2,105,254	1	1,634,699	1
						32003	Special reserve	512,104	-	4,340	-
						32005	Unappropriated earnings	<u>1,663,229</u>	<u>1</u>	<u>1,568,519</u>	<u>-</u>
								<u>4,280,587</u>	<u>2</u>	<u>3,207,558</u>	<u>1</u>
						32500	Other equity (notes 6(d) and (z))	<u>(353,578)</u>	<u>-</u>	<u>(507,766)</u>	<u>-</u>
							<b>Total equity</b>	<u>21,131,985</u>	<u>7</u>	<u>19,339,528</u>	<u>6</u>
<b>Total assets</b>		<b>\$ <u>322,771,421</u></b>	<b><u>100</u></b>	<b><u>306,099,463</u></b>	<b><u>100</u></b>		<b>Total liabilities and equity</b>	<b>\$ <u>322,771,421</u></b>	<b><u>100</u></b>	<b><u>306,099,463</u></b>	<b><u>100</u></b>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

## Bank of Panhsin

## Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023		2022		Variance
	Amount	%	Amount	%	
41000 Interest income (notes 6(ac) and 7)	\$ 7,763,229	158	5,556,406	116	40
51000 Less: Interest expense (notes 6(v), (ac) and 7)	<u>4,286,606</u>	<u>87</u>	<u>2,057,630</u>	<u>43</u>	108
Net interest income	3,476,623	71	3,498,776	73	(1)
Net non-interest income					
49100 Service fees, net (note 6(ad))	1,056,378	21	1,010,449	21	5
49200 Gain (loss) on financial assets or liabilities at fair value through profit or loss (note 6(ae))	75,610	2	15,961	-	374
49310 Realized gain on financial assets at fair value through other comprehensive income (notes 6(d) and (af))	61,361	1	56,966	1	8
49600 Foreign exchange gain (loss), net	44,566	1	173,835	4	(74)
49700 Reversal of (provision for) impairment loss on assets (notes 6(d), (e) and (ag))	2,670	-	(227)	-	1,276
49750 Investment income under the equity method	55,452	1	(86,941)	(2)	164
49800 Other non-interest income (loss), net (notes 6(m), (ah) and 7)	(1,166)	-	5,010	-	(123)
49851 Rental income (note 7)	129,779	3	124,038	3	5
49863 Net gain on disposal of property (note 6(k))	<u>14,477</u>	<u>-</u>	<u>14,457</u>	<u>-</u>	-
<b>Total income</b>	<u>4,915,750</u>	<u>100</u>	<u>4,812,324</u>	<u>100</u>	2
58200 <b>Bad debt expense and reserve for guarantees (notes 6(g), (h), (i), (u) and (ai))</b>	<u>54,859</u>	<u>1</u>	<u>63,171</u>	<u>1</u>	(13)
<b>Operation expense:</b>					
58500 Employee benefit expense (notes 6(x), (aj) and (ak))	1,699,420	35	1,644,390	34	3
59000 Depreciation and amortization expense (notes 6(k), (l), (n) and (al))	347,488	7	347,325	7	-
59500 Other general and administrative expense (notes 6(v) and (am))	<u>911,397</u>	<u>18</u>	<u>858,623</u>	<u>18</u>	6
<b>Total Expenses</b>	<u>2,958,305</u>	<u>60</u>	<u>2,850,338</u>	<u>59</u>	4
<b>Profit from continuing operations before tax</b>	1,902,586	39	1,898,815	40	-
61003 <b>Less: Income tax expense (note 6(y))</b>	<u>214,881</u>	<u>5</u>	<u>253,355</u>	<u>5</u>	(15)
<b>Profit</b>	<u>1,687,705</u>	<u>34</u>	<u>1,645,460</u>	<u>35</u>	3
65000 <b>Other comprehensive income:</b>					
65200 <b>Components of other comprehensive income that will not be reclassified to profit or loss (note 6(x))</b>					
65201 Gains (losses) on remeasurements of defined benefit plans	(12,883)	-	63,454	1	(120)
65204 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	22,905	-	(139,838)	(3)	116
65220 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>10,022</u>	<u>-</u>	<u>(76,384)</u>	<u>(2)</u>	113
65300 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss (note 6(d))</b>					
65301 Exchange differences on translation of foreign financial statements	(10,544)	-	17,425	-	(161)
65309 Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	134,217	3	(615,892)	(13)	122
65310 Other components of other comprehensive income that will be reclassified to profit or loss	(3,984)	-	108	-	(3,789)
65320 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>119,689</u>	<u>3</u>	<u>(598,359)</u>	<u>(13)</u>	120
65000 <b>Other comprehensive income</b>	<u>129,711</u>	<u>3</u>	<u>(674,743)</u>	<u>(15)</u>	119
<b>Total comprehensive income</b>	<u>\$ 1,817,416</u>	<u>37</u>	<u>970,717</u>	<u>20</u>	87
<b>Earnings per share (expressed in New Taiwan dollars) (note 6(ab)):</b>					
67500 Basic earnings per share	<u>\$ 0.98</u>		<u>0.96</u>		
67700 Diluted earnings per share	<u>\$ 0.98</u>		<u>0.95</u>		

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

## Bank of Panhsin

## Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Foreign currency translation differences for foreign operations	Total other equity Gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings	Total retained earnings				
<b>Balance on January 1, 2022</b>	\$ 15,811,553	44	1,269,836	4,356	1,216,195	2,490,387	(23,491)	113,525	90,034	18,392,018
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	364,863	-	(364,863)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(23,717)	(23,717)	-	-	-	(23,717)
Stock dividends of ordinary share	827,629	-	-	-	(827,629)	(827,629)	-	-	-	-
Reversal of special reserve	-	-	-	(16)	16	-	-	-	-	-
Other changes in capital surplus	-	510	-	-	-	-	-	-	-	510
Net Income	-	-	-	-	1,645,460	1,645,460	-	-	-	1,645,460
Other comprehensive income	-	-	-	-	63,454	63,454	17,425	(755,622)	(738,197)	(674,743)
Total comprehensive income	-	-	-	-	1,708,914	1,708,914	17,425	(755,622)	(738,197)	970,717
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(140,397)	(140,397)	-	140,397	140,397	-
Balance on December 31, 2022	16,639,182	554	1,634,699	4,340	1,568,519	3,207,558	(6,066)	(501,700)	(507,766)	19,339,528
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	470,555	-	(470,555)	-	-	-	-	-
Special reserve appropriated	-	-	-	507,766	(507,766)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(24,959)	(24,959)	-	-	-	(24,959)
Stock dividends of ordinary share	565,240	-	-	-	(565,240)	(565,240)	-	-	-	-
Reversal of special reserve	-	-	-	(2)	2	-	-	-	-	-
Net income	-	-	-	-	1,687,705	1,687,705	-	-	-	1,687,705
Other comprehensive income	-	-	-	-	(12,883)	(12,883)	(10,544)	153,138	142,594	129,711
Total comprehensive income	-	-	-	-	1,674,822	1,674,822	(10,544)	153,138	142,594	1,817,416
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(11,594)	(11,594)	-	11,594	11,594	-
<b>Balance on December 31, 2023</b>	<b>\$ 17,204,422</b>	<b>554</b>	<b>2,105,254</b>	<b>512,104</b>	<b>1,663,229</b>	<b>4,280,587</b>	<b>(16,610)</b>	<b>(336,968)</b>	<b>(353,578)</b>	<b>21,131,985</b>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

## Bank of Panhsin

## Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,902,586	1,898,815
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	321,598	322,707
Amortization expense	55,328	54,127
Provision for bad debt expense, commitment and guarantee liability provision	54,859	63,171
Interest expense	4,286,606	2,057,630
Interest income	(7,763,229)	(5,556,406)
Dividend income	(50,866)	(50,181)
Share of profit of subsidiaries accounted for using equity method	(55,452)	86,941
Gain on disposal of property and equipment	(13,203)	(12,911)
Provision for (reversal of) impairment loss on financial assets	(2,670)	227
Gain on lease modification	(738)	(20)
<b>Total adjustments to reconcile profit (loss)</b>	<b>(3,167,767)</b>	<b>(3,034,715)</b>
<b>Changes in operating assets and liabilities:</b>		
Due from Central Bank and call loans to banks	(1,844,058)	(958,692)
Financial assets at fair value through profit or loss	(3,231,828)	(401,369)
Financial assets at fair value through other comprehensive income	124,277	(6,627,864)
Investments in debt instruments measured at amortized cost	(1,408,609)	(3,133,648)
Receivables	(47,932)	(1,560,003)
Loans and discounts	(13,455,441)	(5,722,005)
Other financial assets	11,361	18
Deposits from Central Bank and other banks	(345,246)	(582,430)
Financial liabilities at fair value through profit or loss	22,638	2,551
Payables	48,240	1,319,199
Deposits and remittances	10,453,680	17,359,259
Provision for employee benefit	(1,125)	(866)
Other liabilities	(8,529)	61,078
<b>Total net changes in operating assets and liabilities</b>	<b>(9,682,572)</b>	<b>(244,772)</b>
<b>Total adjustments</b>	<b>(12,850,339)</b>	<b>(3,279,487)</b>
Cash flows used in operations	(10,947,753)	(1,380,672)
Interest received	7,648,122	5,394,304
Dividends received	92,190	93,041
Interest paid	(4,125,669)	(1,911,055)
Income taxes paid	(250,960)	(112,997)
<b>Net Cash flows from (used in) operating activities</b>	<b>(7,584,070)</b>	<b>2,082,621</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	-	(160,000)
Acquisition of property and equipment	(585,550)	(363,488)
Proceeds from disposal of property and equipment	20	-
Acquisition of investment properties	-	(22,512)
Increase in other assets	(77,100)	(65,926)
<b>Net cash flows used in investing activities</b>	<b>(662,630)</b>	<b>(611,926)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in due to the central bank and banks	-	(706,360)
Proceeds from issuing financial debenture	880,000	-
Increase in notes and bonds issued under repurchase agreement	3,737,276	2,432,425
Payments of lease liabilities	(171,576)	(168,115)
Cash dividends paid	(24,923)	(23,717)
<b>Net cash flows from financing activities</b>	<b>4,420,777</b>	<b>1,534,233</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(10,544)</b>	<b>17,425</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,836,467)</b>	<b>3,022,353</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>17,341,525</b>	<b>14,319,172</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 13,505,058</b>	<b>17,341,525</b>
<b>Composition of cash and cash equivalents:</b>		
Cash and cash equivalents reported in the statement of financial position	\$ 6,196,249	8,581,789
Due from Central bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	5,227,222	4,020,485
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	2,081,587	4,739,251
<b>Cash and cash equivalents at end of period</b>	<b>\$ 13,505,058</b>	<b>17,341,525</b>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**Bank of Panhsin**

**Notes to the Financial Statements**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Bank of Panhsin (the Bank), formerly named “Pan Chiao Credit Cooperative”, was founded on April 25, 1957. Pursuant to an approval granted by the Ministry of Finance, the Bank was re incorporated as a commercial Bank on July 8, 1997, and completed the acquisition of “The Fifth Credit Cooperative of Kaohsiung” on September 29, 1997. The Bank obtained a banking license authorized by the Ministry of Finance to operate as a commercial bank on September 30, 1997. In October 1999, the Bank received its trust license from the Ministry of Finance and started operations on November 26 of the same year with capital of \$100 million. On November 27, 2002, the Bank was authorized by the Ministry of Finance to establish an International Banking Department, which started operations on July 7, 2003. Furthermore, the Bank completed the acquisition of The First Credit Cooperative of Chiayi on March 6, 2005, and completed the acquisition of the Ninth Credit Cooperative of Taipei (NCCT) on July 21, 2014.

The Bank was established pursuant to the Banking Law to engage in:

- (a) all commercial banking operations allowed by the Banking Law;
- (b) savings operations;
- (c) trust operations;
- (d) credit card operations;
- (e) trading in government bonds and other debt securities; and
- (f) insurance agent;
- (g) other operations as authorized by the relevant central authority.

On November 14, 2006, the Bank was approved by the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan (“FSC”), to offer its shares publicly.

The Bank’s board of director approved the application for operating insurance broker business according to the Regulations Governing Insurance Brokers and conducted a short-form merger with its subsidiary, Panhsin Insurance Broker Co., Ltd., according to the Business Mergers and Acquisitions Act. The Bank is the surviving entity after the merger. The application and the merger were approved by the FSC on May 6, 2016. For the operation of the insurance broker business, the Bank’s board of director approved July 1, 2016 as the date of the merger on May 18, 2016.

**(2) Approval date and procedures of the financial statements:**

These financial statements were authorized for issuance by the Bank’s Board of Directors on February 21, 2024.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Bank has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Bank has initially adopted the following new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Bank assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Bank does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

**(4) Summary of material accounting policies:**

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks.

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been mainly prepared on a historical cost basis unless otherwise specified (refer to each accounting policies).

(ii) Functional and presentation currency

The Bank's financial statements are presented in New Taiwan dollars, which is the Bank's functional currency. The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Foreign currency transactions

Transactions denominated or settled in foreign currencies are using the spot conversion rate to functional currency on the date of the transaction.

Transactions in foreign currencies are translated into the respective functional currency of the Bank at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Foreign currency translation differences are recognized in profit or loss for the period. The difference in monetary items translation at year end should be recognized as profit or loss, except that it is classified as cash flow hedges or profit/loss from hedge instrument of the net investment in a foreign operation, then it should be recognized as other comprehensive income for the period.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, checks for clearing, due from banks, demand deposits, and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(e) Transactions under repurchase/resell agreements

Securities sold/purchased with a commitment to repurchase/resell at a predetermined price are treated as financing transactions. On the selling/purchasing date, these agreements are recognized as securities sold under repurchase agreements or securities purchased under resell agreements. The difference between the cost and the repurchase/resell price is treated as interest expense/revenue and recognized over the term of the agreement.

(f) Financial instruments

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are recognized initially at fair value, plus any directly attributable transaction costs, then subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

## Bank of Panhsin

### Notes to the Financial Statements

The debt instruments measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. The resulting gain or loss from such fair value remeasurement is recognized directly in other comprehensive income. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. The credit impairment losses recognized before derecognition, interest income and foreign exchange gains and losses deriving from debt investments are recognized in profit or loss. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Bank may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

The equity instruments measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. The dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. The resulting gain or loss from such fair value remeasurement is recognized directly in other comprehensive income. On derecognition, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Bank's right to receive payments is established, which in the case of quoted securities is normally the ex-dividend date.

#### 3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Bank may irrevocably designate a financial asset, which otherwise meets the requirements to be measured at amortized cost or at FVOCI, at FVTPL to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

#### 4) Impairment of financial assets

The Bank recognizes loss allowances for expected credit losses on financial assets measured at amortized cost, debt investments measured at FVOCI and financing commitments; and on "Loans and receivables" and off-balance-sheet loan assets in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-Performing and Non-Accrued Loans" for the provision of appropriate allowance for loss, guarantee reserve and financing commitment reserve.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

The Bank determines whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information, and analysis, based on the Bank's historical experience and informed credit assessment, as well as forward-looking information.

Lifetime expected credit loss (ECL) are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Bank is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Bank recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

Credits deemed as uncollectible are written off upon approval of the board of directors. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the assets are terminated, or when the Bank transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Bank recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in "other equity-unrealized gains or losses on fair value through other comprehensive income", in profit or loss, and presented it in realized gain and loss on financial assets measured at fair value through other comprehensive income.

(Continued)



## Bank of Panhsin

### Notes to the Financial Statements

On derecognition of a financial asset other than in its entirety, the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized, and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income, is recognized in profit or loss and presented in realized gain and loss on financial assets measured at fair value through other comprehensive income. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Bank are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of financial liabilities and equity instruments.

2) Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Except for financial liabilities at fair value through profit or loss, all financial liabilities are evaluated by using the amortized cost under the effective interest rate method.

Financial liabilities at fair value through profit or loss includes financial liabilities held-for-trading and financial liabilities measured at fair value through profit or loss.

Any profit or loss remeasurement from financial liabilities held-for-trading (including any dividend payout or interest expense) are recognized in profit or loss.

The Bank designates its financial liabilities, other than those classified as held-for-trading, as at fair value through profit or loss at initial recognition under one of the following situations:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on a different basis;
- Performance of the financial liabilities is evaluated on a fair value basis;
- A hybrid instrument contains one or more embedded derivatives.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

For financial liabilities measured at fair value through profit or loss, their fair value that changes due to the liabilities that are exposed to credit risk should be recognized under other comprehensive income. The financial liabilities will be reclassified to retained earnings then subsequently reclassified under profit or loss during derecognition. All changes in other fair value (including any dividend payout or interest expense) should be recognized under profit or loss. If, and only if, an accounting mismatch occurs, the changes in fair value shall be accounted as current profit or loss.

4) Derecognition

The difference between the carry amount and the payment (including all transferred non-case assets or liabilities) should be accounted as current profit or loss when derecognizing financial liabilities.

(g) Investment in subsidiaries

In the preparation of the financial statements, if the Bank has control of an investee company, it is accounted for under the equity method. Under the equity method, the net income and total comprehensive income in the financial statements are consistent with the net income and total comprehensive income attributed to the parent company in the consolidated financial report.

Changes in the Bank's ownership interest in a subsidiary that do not result in the Bank losing control of the subsidiary are treated as transactions between owners.

(h) Property and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Major improvements and renewals are capitalized, while repairs and maintenance are charged to current expenses.

When an item of property, plant and equipment consists of different components and the cost of a component is significant relative to the total cost of the item of property, plant and equipment, the component will be depreciated separately.

Depreciation is computed using the straight-line method over service lives estimated as follows: buildings, 8 to 65 years; machinery and equipment, 3 to 13 years; transportation equipment, 3 to 11 years; other equipment, 3 to 16 years; and leasehold improvements, 1 to 11 years.

The depreciation method, useful life, and residual value of an asset shall be reviewed at each financial year-end and adequately adjusted when necessary.

Upon retirement or disposal of property and equipment, the related cost and accumulated depreciation are deducted from the respective accounts, and the related gain or loss is recognized as other noninterest income or loss.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(i) Leases

(i) Identifying a lease

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Bank's incremental borrowing rate, and measured at amortized cost using the effective interest method in the subsequent. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value items. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

When the Bank acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Bank makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, or to use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently measured under the cost model, and the depreciation expense is calculated using the depreciable amount. The depreciation method, useful life, and residual amount are the same as those adopted for property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property and any other cost and capitalized borrowing costs that can be directly attributed.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(k) Intangible assets

(i) Goodwill

Goodwill is measured as an excess of the cost of acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired on the acquisition date. It is subsequently measured at cost, less, any accumulated impairment losses. To test for impairment, goodwill is allocated to each of the acquirer's cash-generating units, or groups of cash-generating units. If the carrying amount of the unit exceeds the recoverable amount of the unit, the Bank shall recognize the impairment loss. Impairment losses in respect of goodwill are irreversible.

(ii) Core deposits

Core deposits obtained from acquisition is measured on the fair value of the acquisition date and recorded separately from goodwill. Core deposits are stated at cost, less, accumulated amortization consequently. Amortization is computed using the straight-line method over 19 to 20 years.

(iii) Computer software

Computer software is recorded on the basis of the actual cost of acquisition and amortized using the straight-line method over 3 to 10 years.

(l) Other assets—foreclosed collateral

Foreclosed collateral are initially recognized at the sale price. Any difference from the original value of the loans is recognized as bad debts. Foreclosed assets are remeasured at the net realizable value (NRV) on the reporting date, and recognized impairment losses if sufficient evidence shows the fair value is lower than the book value. Losses or gains on the disposal of foreclosed assets are recorded as other non-interest expense or income, net.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

(m) Impairment of non-financial assets

The Bank estimates the recoverable amount (the lower of net fair value and value in use) for assets that have an indication of impairment (individual assets except for goodwill or a cash-generating unit) on the statement of financial position date. An impairment loss is recognized if the carrying amount is higher than the recoverable amount. For assets other than goodwill, reversal of impairment loss is recognized when the recoverable amount of the asset has increased from its prior-period estimation. The carrying amount after the reversal shall not exceed the recoverable amount or the depreciated or amortized balance of the assets assuming no impairment loss was recognized in prior periods. Regardless whether there exists an indication of impairment, goodwill is tested for impairment every year.

(n) Provisions

A provision shall be recognized when a present obligation results from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A provision is determined by discounting the expected future cash flow, using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the liability.

(o) Revenue and expense

Except for financial assets and liabilities reported at fair value through profit or loss, all interest-bearing financial assets and interest-bearing financial liabilities are accrued using the effective interest rate method and are accounted for as interest revenue and interest expense in profit or loss.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest revenue is recognized using the interest rate to discount the future cash flows for the purpose of assessing impairment.

Service fee income and expense are recognized when loans or other services are provided. Service fee income and expense on significant projects are recognized when the projects are completed.

Service fee income and expense relating to loan services are amortized over the service periods or included in the effective interest rate for loans and receivables.

(p) Employee benefits

(i) Short-term employee benefits

For short-term employee benefits that are expected to be paid in the near future, the Bank recognized the non-discounted amount as current expenses.

(ii) Termination benefits

Termination benefits are incurred when the Bank terminates employment prior to employees qualifying for retirement, or the employees accepted voluntary redundancy to get termination benefits in return. If termination benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

(iii) Post-employment benefit plans

Post-employment benefit plans of the Bank are a defined contribution plan and a defined benefit plan.

A defined contribution plan is a post-employment benefit plan under which the Bank pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

A defined benefit plan is a post-employment benefit plan under which a benefit is paid to an employee on the basis of their age, service period, and salary at the date of retirement.

Costs, including service cost, net interest, and remeasurement, which comprise of the defined benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets, excluding the amount included in net interest on the net defined liability (asset), are recognized in other comprehensive income in the period occurred. Remeasurement recognized in other comprehensive income is classified under retained earnings and will not be reclassified subsequently to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in the future contributions to the plans.

(iv) Preferential interest deposits

The Bank provides its employees preferential interest on deposits, including current and retired employees. The difference between the preferential interest rate and the market rate is recorded as an employee benefit.

In accordance with the Regulations Governing the Preparation of Financial Reports by Publicly Held Banks, if the preferential interest rate for retired employees exceeds the market rate, when the employees retire, the Bank shall calculate the excess interest using an actuarial method by adopting IAS 19. However the actuarial assumptions shall follow the government's related regulations.

(q) Financial guarantee contracts

Guarantee services are recognized at the fair value when the guarantee services are rendered. The aforementioned fair value is the service charges received when the contracts are signed, since the charges are set at arm's length. Unearned bank charges are recorded as deferred income and recognized as income on a straight-line basis in the contract period.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(r) Income taxes

Income tax expenses include both taxes and deferred taxes. Except for expenses recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting date and their respective tax bases.

Deferred tax are measured at tax rates that are expected to be applied to the period when the asset is realized or the liability is settled, which are normally the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) the different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax asset should be recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Such deferred tax assets shall also be reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(s) Business combinations

The Bank accounts for business combinations using the acquisition method. The relevant cost of acquisition is recognized as expense during the period year when expense occurred or services provided.

The Bank measures goodwill by the fair value of the transfer consideration, including any amount belonging to non-controlling interests of the acquire, less, net amount of the identifiable assets and undertaking liabilities (used to be identified as fair value). If there is any negative after deduction, the Bank will reassess whether the acquired assets and undertaking liabilities are correctly identified, then will recognize the amount as bargain purchase benefit.

(Continued)

## **Bank of Panhsin**

### **Notes to the Financial Statements**

The Bank will recognize the tentative amounts on the reporting date if the evaluation of the identifiable assets and undertaking liabilities has not yet been completed. To reflect the new information or the existing facts on the acquisition date, the Bank will make retroactive adjustment or recognize the additional assets and liability in the measurement period. The measurement period shall not exceed one year after the acquisition date.

(t) **Earnings per share of common stock**

Earnings per share are computed by dividing net income divided by the weighted-average number of issued shares of common stock outstanding during the year. The increase in issuance of stock dividends from retained earnings or capital surplus or the decrease in stock by offsetting accumulated deficits is adjusted retroactively. Furthermore, if the designated date of record for a stock dividend is proposed before publishing the financial statements, the earnings per common share are adjusted retroactively. If there is cumulative preferred stock outstanding, preferred stock dividends shall be deducted from net income whether or not dividends are declared.

Stock-based employee bonuses not yet approved by the shareholders' meeting are regarded as potential common stock. The Bank has to disclose basic earnings per share and diluted earnings per share if the increase in potential common stock would dilute earnings per share; otherwise, the Bank only needs to disclose basic earnings per share. The calculation of diluted earnings per share should consider the effect on net income and outstanding potential common stock.

(u) **Operating segments**

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank). The segment's operating results are reviewed regularly by the Bank's chief operating decision maker to make decisions pertaining to the allocation of resources to the segment and to assess its performance for which discrete financial information is available.

The Bank discloses the operating segment information in the consolidated financial statements and does not disclose the information in the financial statements.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

The related information of significant impacts on assumptions and estimation uncertainty which may result in adjustments in the upcoming year is as follows:

(a) Assessment of financial assets impairment

The Bank recognizes loss allowances for expected credit losses on loans and receivables, debt instruments and financial guarantee contracts. Assessing the expected credit losses relies on the management's assumptions of probability of default (PD) and expected credit loss (ECL). The Bank considers the historical experiences, current market conditions and forward-looking estimation to the input values to be used in determining the impairment loss. The Bank periodically reviews the methods and assumptions behind the amount and schedule of expected credit loss to reduce the difference between expected and actual loss. For the details of the relevant assumptions, please refer to note 6(an).

(b) Assessment of goodwill impairment

Assessment of goodwill impairment requires the management to make subjective judgments to identify cash-generating units, allocate the goodwill to related cash generating units, and estimate the recoverable amount of related cash generating units. The management of the Bank shall estimate the expected future cash flow from cash generating units and decide a proper discount rate for calculating the present value. If the actual cash flow is less than the expected cash flow, significant impairment losses may incur.

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash	\$ 2,192,970	4,071,516
Checks for clearing	751,964	824,626
Due from banks	3,251,315	3,685,647
Total	<u><u>\$ 6,196,249</u></u>	<u><u>8,581,789</u></u>

Components of cash and cash equivalents are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash and cash equivalents reported in the statements of financial position	\$ 6,196,249	8,581,789
Due from Central Bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7 note 6(b)	5,227,222	4,020,485
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7 note 6(f)	2,081,587	4,739,251
Cash and cash equivalents at end of period	<u><u>\$ 13,505,058</u></u>	<u><u>17,341,525</u></u>

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**Bank of Panhsin**  
**Notes to the Financial Statements**

Analysis of interest rate risk and sensitivity for financial assets and liabilities is disclosed in note 6(an).

(b) Due from Central Bank and call loans to banks

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Deposit reserves—account A (including foreign currency)	\$ 3,970,586	2,792,165
Deposit reserves—account B	8,354,474	7,906,237
Call loans to banks	1,256,636	1,228,320
Checking and settlement account	<u>2,000,966</u>	<u>605,145</u>
Total	<b><u>\$ 15,582,662</u></b>	<b><u>12,531,867</u></b>

Deposit reserves—account A are calculated at prescribed rates, using the average monthly balances of various deposit accounts, and are appropriated and deposited in the reserve account of the Central Bank of the Republic of China (Taiwan). Deposit reserves—account B are interest-free and can be withdrawn at any time; Deposit reserves—account A are interest-bearing and cannot be withdrawn except for the monthly adjustment to the required reserves permitted by relevant regulations.

Call loans to banks, deposit reserves—account A, due from Central Bank, and highly liquid investments that are readily convertible into known amount of cash and that are subject to insignificant risk of change in value are defined as cash and cash equivalents under IAS 7. The details were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Deposit reserves—account A	\$ 3,970,586	2,792,165
Call loans to banks	<u>1,256,636</u>	<u>1,228,320</u>
	<b><u>\$ 5,227,222</u></b>	<b><u>4,020,485</u></b>

(c) Financial assets at fair value through profit or loss

As of December 31, 2023 and 2022, the financial assets at fair value through profit or loss were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets mandatorily measured at fair value through profit or loss		
Fixed income	\$ 4,523,373	1,309,501
Equity securities	12,764	17,733
Derivatives	<u>36,286</u>	<u>13,361</u>
Total	<b><u>\$ 4,572,423</u></b>	<b><u>1,340,595</u></b>

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**Bank of Panhsin**  
**Notes to the Financial Statements**

As of December 31, 2023 and 2022, the financial liabilities at fair value through profit or loss were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Derivatives	<b>\$ <u>33,580</u></b>	<b><u>10,942</u></b>

There were no financial liabilities designated at fair value through profit or loss.

(d) Financial assets at fair value through other comprehensive income

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Investments in debt instruments at fair value through other comprehensive income :		
Government bonds	\$ 14,057,850	13,455,606
Corporate bonds	2,399,996	3,100,006
Financial debenture	-	92,069
Revaluation	<u>(583,277)</u>	<u>(717,494)</u>
Subtotal	<u>15,874,569</u>	<u>15,930,187</u>
Investments in equity instruments measured at fair value through other comprehensive income:		
Listed companies	224,331	170,367
Private companies	64,910	64,910
Revaluation	<u>242,958</u>	<u>208,459</u>
Subtotal	<u>532,199</u>	<u>443,736</u>
Total	<b>\$ <u>16,406,768</u></b>	<b><u>16,373,923</u></b>

(i) Investments in debt instruments at fair value through other comprehensive income

The Bank assesses that these securities are held within a business model whose objective the contractual cash flows and selling securities. For securities sold under repurchase agreements, please refer to note 6(q).

(ii) Investment in equity instruments at fair value through other comprehensive income

The purpose of the company holding this kind of assets is for long-term investments, and had been measured at fair value through other comprehensive income.

The Bank sold its investments which were designated as at fair value through other comprehensive income due to assets allocation. The fair value of the disposed investments and the gain on disposal amounted to \$117,688 thousand and \$881,404 thousand, respectively, for the years ended December 31, 2023 and 2022. Thus, the accumulated losses on disposal amounted to \$11,594 thousand and \$140,397 thousand, respectively, were transferred from other equity to retained earning.

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**Bank of Panhsin**  
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The dividend revenue of investment in equity instruments at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 is as follows,

	<b>2023</b>	<b>2022</b>
Derecognize in reporting period	\$ 21,000	42,304
Holding at the end of reporting date	<u>28,549</u>	<u>6,853</u>
	<b><u>\$ 49,549</u></b>	<b><u>49,157</u></b>

- (iii) Please refer to note 6(an) for the credit risk (including the impairment of investment in debt instruments) and market risk information.
- (iv) Please refer to note 8 for pledged financial assets measured at fair value through other comprehensive income.
- (v) Impairment loss of debt instruments at fair value through other comprehensive income recognized was as follow:

<b>2023</b>				
	<b>12-month ECL</b>	<b>Lifetime ECL- not impairment</b>	<b>Lifetime ECL- impairment</b>	<b>Total</b>
Balance at beginning of the period	\$ 7,335	-	-	7,335
Changes due to financial instruments that have been identified at the beginning of the period:				
— The financial assets that have been derecognized	(2,662)	-	-	(2,662)
Foreign exchange and other movements	(1,322)	-	-	(1,322)
Balance at end of the period	<b><u>\$ 3,351</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,351</u></b>

<b>2022</b>				
	<b>12-month ECL</b>	<b>Lifetime ECL- not impairment</b>	<b>Lifetime ECL- impairment</b>	<b>Total</b>
Balance at beginning of the period	\$ 7,227	-	-	7,227
Changes due to financial instruments that have been identified at the beginning of the period:				
— The financial assets that have been derecognized	(2)	-	-	(2)
Foreign exchange and other movements	110	-	-	110
Balance at end of the period	<b><u>\$ 7,335</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>7,335</u></b>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(e) Financial assets at amortized cost

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Negotiable certificates of deposit	\$ 33,015,000	36,550,000
Government bonds	1,286,977	1,283,595
Corporate bonds	2,000,000	1,000,000
Foreign bonds	13,108,780	13,276,852
Asset-backed securities	4,108,299	-
Less: accumulated impairment	<u>(2,740)</u>	<u>(1,426)</u>
Total	<b><u>\$ 53,516,316</u></b>	<b><u>52,109,021</u></b>

Provision for impairment loss on investments in debt instruments measured at amortized cost recognized was as follow:

<b>2023</b>				
	<b>12-month ECL</b>	<b>Lifetime ECL- not impairment</b>	<b>Lifetime ECL- impairment</b>	<b>Total</b>
Balance at beginning of the period	\$ 1,426	-	-	1,426
Derecognized	(48)	-	-	(48)
Purchased or originated financial assets	938	-	-	938
Foreign exchange and other movement	424	-	-	424
Balance at end of the period	<b><u>\$ 2,740</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,740</u></b>

<b>2022</b>				
	<b>12-month ECL</b>	<b>Lifetime ECL- not impairment</b>	<b>Lifetime ECL- impairment</b>	<b>Total</b>
Balance at beginning of the period	\$ 1,307	-	-	1,307
Purchased or originated financial assets	119	-	-	119
Balance at end of the period	<b><u>\$ 1,426</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,426</u></b>

The Bank assessed that these financial assets were held-to-maturity to collect the contractual cash flows, which consisted solely of payments of principal and interest on principal amount outstanding.

For securities sold under repurchase agreements, please refer to note 6(q).

Please refer to note 6(an) for the credit risk (including the impairment of investment in debt instruments) and market risk information.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

(f) Securities purchased under resell agreements

	December 31, 2023			
	Amount	Contractual repurchase or resell period	Contractual interest rate range (%)	Amount of resell agreements
Securities purchased under resell agreements	\$ <u><u>2,081,587</u></u>	2024.1.2~2024.1.19	1.40~1.42	<u><u>2,082,227</u></u>
	December 31, 2022			
	Amount	Contractual repurchase or resell period	Contractual interest rate range (%)	Amount of resell agreements
Securities purchased under resell agreements	\$ <u><u>4,739,251</u></u>	2023.1.3~2023.1.16	1.29~1.30	<u><u>4,740,667</u></u>

(g) Receivables, net

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Interests receivable	\$ 634,704	519,597
Accounts receivable	88,176	69,756
Spot exchange receivable	236	516
Acceptance receivable	1,750,704	1,665,560
Accrued revenue	141,246	106,819
Factoring of receivables—without recourse	30,197	106,145
Dividend receivable	120	28
Securities settlement receivable	15,581	39,367
Other receivables	<u>53,752</u>	<u>44,736</u>
Total	2,714,716	2,552,524
Less: allowance for interests receivable	(8,414)	(8,409)
allowance for acceptance receivable	(17,507)	(17,687)
allowance for other receivable	(6,315)	(7,321)
allowance for bad and doubtful accounts—factoring of receivables	(337)	(1,307)
	<u><u>\$ 2,682,143</u></u>	<u><u>2,517,800</u></u>

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## Bank of Panhsin

### Notes to the Financial Statements

For the years ended December 31, 2023 and 2022, changes in allowance for receivables was as follows:

	2023						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 8,439	2,016	318	-	10,773	23,951	34,724
Changes due to financial instruments that have been identified at the beginning of the period:							
—Transfer to lifetime ECL	(1)	44	(43)	-	-		-
—Transfer to credit-impaired financial assets	(1)	-	1	-	-		-
—Transfer to 12-month ECL	24	(1)	(23)	-	-		-
—The financial assets that have been derecognized	(7,602)	(12)	(75)	-	(7,689)		(7,689)
New financial assets originated or purchased	8,917	9	26	-	8,952		8,952
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing / Non-accrual Loans"						(4,420)	(4,420)
Write-offs	-	-	(1,007)	-	(1,007)		(1,007)
Recoveries	-	-	68	-	68		68
Foreign exchange and other movements	(94)	(275)	2,314	-	1,945		1,945
Ending balance	\$ 9,682	1,781	1,579	-	13,042	19,531	32,573

	2022						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 4,112	2,270	384	-	6,766	21,400	28,166
Changes due to financial instruments that have been identified at the beginning of the period:							
—Transfer to lifetime ECL	(2)	14	(12)	-	-		-
—Transfer to credit-impaired financial assets	(1)	(5)	6	-	-		-
—Transfer to 12-month ECL	10	(2)	(8)	-	-		-
—The financial assets that have been derecognized	(3,782)	(15)	(100)	-	(3,897)		(3,897)
New financial assets originated or purchased	7,753	5	19	-	7,777		7,777
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing / Non-accrual Loans"						2,551	2,551
Write-offs	-	-	(715)	-	(715)		(715)
Foreign exchange and other movements	349	(251)	744	-	842		842
Ending balance	\$ 8,439	2,016	318	-	10,773	23,951	34,724

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**Bank of Panhsin**  
**Notes to the Financial Statements**

(h) Loans and discounts, net

	December 31, 2023	December 31, 2022
Export bills negotiated and Bills and notes discounted	\$ 21,134	13,131
Short-term loans and overdrafts	49,829,955	50,284,108
Accounts receivable financing	271,781	105,049
Medium-term loans	115,084,029	102,560,366
Long-term loans	43,656,352	42,219,523
Non-performing loans	<u>263,468</u>	<u>369,528</u>
Subtotal	209,126,719	195,551,705
Less: allowance for doubtful accounts	<u>(2,557,205)</u>	<u>(2,383,479)</u>
	<b><u>\$ 206,569,514</u></b>	<b><u>193,168,226</u></b>

Please refer to note 6(an) for the industry information.

For the years ended December 31, 2023 and 2022, suspended accrual of interest for all of non-performing loans amounted to \$6,232 thousand and \$9,889 thousand, respectively.

For the years ended December 31, 2023 and 2022, changes in allowance for loans and discounts was as follows:

	2023						
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ 433,539	98,033	69,753	-	601,325	1,782,154	2,383,479
Changes due to instruments that have been identified at the beginning of the period:							
—Transfer to lifetime ECL	(2,200)	13,353	(11,153)	-	-		-
—Transfer to credit-impaired financial assets	(446)	(351)	797	-	-		-
—Transfer to 12-month ECL	9,882	-	(9,882)	-	-		-
—The financial assets that have been derecognized	(218,478)	(6,632)	(4,148)	-	(229,258)		(229,258)
New financial assets originated or purchased	250,666	3,702	19,418	-	273,786		273,786
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"						44,768	44,768
Write-off	-	-	(37,248)	-	(37,248)		(37,248)
Recoveries	-	-	156,821	-	156,821		156,821
Foreign exchange and other movement	(10,786)	11,311	(35,668)	-	(35,143)		(35,143)
Ending balance	<b>\$ 462,177</b>	<b>119,416</b>	<b>148,690</b>	<b>-</b>	<b>730,283</b>	<b>1,826,922</b>	<b>2,557,205</b>

(Continued)



# Bank of Panhsin

## Notes to the Financial Statements

2022							
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ 483,648	66,986	87,998	-	638,632	1,655,405	2,294,037
Changes due to instruments that have been identified at the beginning of the period:							
—Transfer to lifetime ECL	(2,374)	6,155	(3,781)	-	-		-
—Transfer to credit-impaired financial assets	(1,127)	(1,780)	2,907	-	-		-
—Transfer to 12-month ECL	17,545	(2,819)	(14,726)	-	-		-
—The financial assets that have been derecognized	(254,735)	(10,907)	(31,315)	-	(296,957)		(296,957)
New financial assets originated or purchased	260,959	3,458	18,408	-	282,825		282,825
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"						126,749	126,749
Write-off	-	-	(126,653)	-	(126,653)		(126,653)
Recoveries	-	-	159,423	-	159,423		159,423
Foreign exchange and other movement	(70,377)	36,940	(22,508)	-	(55,945)		(55,945)
Ending balance	\$ 433,539	98,033	69,753	-	601,325	1,782,154	2,383,479

(i) Other financial assets, net

	December 31, 2023	December 31, 2022
Non-performing loans	\$ 27,422	43,822
Less: allowance for doubtful accounts	(27,422)	(34,920)
Total	\$ -	8,902

For the years ended December 31, 2023 and 2022, changes in allowance for Other financial assets was as follows:

2023							
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ -	-	34,920	-	34,920	-	34,920
Additional provision of impairment in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing / Non-accrual Loans						22,622	22,622
Write-off	-	-	(5,039)	-	(5,039)		(5,039)
Foreign exchange and other movement	-	-	(25,081)	-	(25,081)		(25,081)
Ending balance	\$ -	-	4,800	-	4,800	22,622	27,422
2022							
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ -	-	32,411	-	32,411	-	32,411
Foreign exchange and other movement	-	-	2,509	-	2,509		2,509
Ending balance	\$ -	-	34,920	-	34,920	-	34,920

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(j) Investments accounted for using equity method, net

As of December 31, 2023 and 2022, details of investments accounted for using the equity method were as follows:

<b>December 31, 2023</b>			
	<b>Percentage of ownership (%)</b>	<b>Investment Cost</b>	<b>Amount</b>
<b>Subsidiaries</b>			
Panhsin Asset Management Co., Ltd.	100.00	\$ 488,000	637,229
Panhsin International Leasing Co., Ltd.	100.00	375,000	431,801
		<b>\$ 863,000</b>	<b>1,069,030</b>
<b>December 31, 2022</b>			
	<b>Percentage of ownership (%)</b>	<b>Investment Cost</b>	<b>Amount</b>
<b>Subsidiaries</b>			
Panhsin Asset Management Co., Ltd.	100.00	\$ 488,000	633,911
Panhsin International Leasing Co., Ltd.	100.00	375,000	421,083
		<b>\$ 863,000</b>	<b>1,054,994</b>

Following the resolution of the shareholders' meeting held on April 28, 2023, Panhsin International Leasing Co., Ltd. resolved the retained earnings to be distributed as stock dividends amounting to \$1,760 thousand and completed the change of registration in May 2023. The paid-in capital was \$415,835 thousand of 41,584 thousand common stocks at NT\$10 per share.

Following the resolution of special shareholders' meeting held on April 25, 2022, Panhsin International Leasing Co., Ltd. resolved a capital reduction amounting to \$135,000 thousand for offsetting loss and a capital increase amounting to \$160,000 thousand. The Company had completed the registration of the capital reduction and increase in June 2022. The paid-in capital was \$414,075 thousand of 41,408 thousand common stocks at NT\$10 per share.

(k) Property and equipment, net

<b>December 31, 2023</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net</b>
Land	\$ 4,431,917	-	4,431,917
Buildings	2,140,113	(473,626)	1,666,487
Machinery and equipment	303,634	(232,598)	71,036
Transportation equipment	136,346	(105,254)	31,092
Other equipment	764,069	(692,040)	72,029
Leasehold improvements	294,346	(279,567)	14,779
Construction in progress	949,181	-	949,181
Total	<b>\$ 9,019,606</b>	<b>(1,783,085)</b>	<b>7,236,521</b>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

<b>December 31, 2022</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net</b>
Land	\$ 4,493,654	-	4,493,654
Buildings	2,265,098	(458,091)	1,807,007
Machinery and equipment	351,984	(276,271)	75,713
Transportation equipment	138,807	(104,586)	34,221
Other equipment	760,816	(663,782)	97,034
Leasehold improvements	298,550	(272,918)	25,632
Construction in progress	363,631	-	363,631
Total	<u>\$ 8,672,540</u>	<u>(1,775,648)</u>	<u>6,896,892</u>

Movements of cost were as follows:

	<b>January 1, 2023</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Other (note 1)</b>	<b>December 31, 2023</b>
Land	\$ 4,493,654	-	-	(61,737)	4,431,917
Buildings	2,265,098	-	-	(124,985)	2,140,113
Machinery and equipment	351,984	-	(72,904)	24,554	303,634
Transportation equipment	138,807	-	(10,176)	7,715	136,346
Other equipment	760,816	-	(4,508)	7,761	764,069
Leasehold improvements	298,550	-	(141)	(4,063)	294,346
Construction in progress	363,631	585,550	-	-	949,181
Total	<u>\$ 8,672,540</u>	<u>585,550</u>	<u>(87,729)</u>	<u>(150,755)</u>	<u>9,019,606</u>

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Other (note 2)</b>	<b>December 31, 2022</b>
Land	\$ 4,815,430	-	-	(321,776)	4,493,654
Buildings	2,320,155	-	-	(55,057)	2,265,098
Machinery and equipment	355,662	-	(19,291)	15,613	351,984
Transportation equipment	129,595	-	(3,571)	12,783	138,807
Other equipment	747,992	8,993	(6,238)	10,069	760,816
Leasehold improvements	285,972	12,578	-	-	298,550
Construction in progress	16,918	341,917	-	4,796	363,631
Total	<u>\$ 8,671,724</u>	<u>363,488</u>	<u>(29,100)</u>	<u>(333,572)</u>	<u>8,672,540</u>

Note: 1) Reclassification from other assets—prepayments amounting to \$41,387 thousand. Reclassification to land under investment property and buildings under investment property amounting to \$61,737 thousand and \$124,985 thousand, respectively. Reclassification to right-of-use assets amounting to \$5,420 thousand.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

- 2) Reclassification from other assets—prepayments amounting to \$38,465 thousand. The net amount of reclassification to construction in progress under property and equipment was \$4,796 thousand with the cost of building under investment property amounting to \$8,706 thousand after deducting the accumulated depreciation amounting to \$3,910 thousand. Reclassification to land under investment property and buildings under investment property amounting to \$321,776 thousand and \$55,057 thousand, respectively.

Movements of accumulated depreciation were as follows:

	January 1, 2023	Additions	Disposals or retirements	Other (note 3)	December 31, 2023
Buildings	\$ 458,091	35,403	-	(19,868)	473,626
Machinery and equipment	276,271	28,698	(72,371)	-	232,598
Transportation equipment	104,586	10,336	(9,668)	-	105,254
Other equipment	663,782	32,533	(4,275)	-	692,040
Leasehold improvements	272,918	12,210	(141)	(5,420)	279,567
Total	<u>\$ 1,775,648</u>	<u>119,180</u>	<u>(86,455)</u>	<u>(25,288)</u>	<u>1,783,085</u>

	January 1, 2022	Additions	Disposals or retirements	Other (note 4)	December 31, 2022
Buildings	\$ 431,847	35,614	-	(9,370)	458,091
Machinery and equipment	268,439	26,691	(18,859)	-	276,271
Transportation equipment	96,618	11,261	(3,293)	-	104,586
Other equipment	635,797	33,387	(5,402)	-	663,782
Leasehold improvements	257,856	15,062	-	-	272,918
Total	<u>\$ 1,690,557</u>	<u>122,015</u>	<u>(27,554)</u>	<u>(9,370)</u>	<u>1,775,648</u>

Note: 3) Reclassification to investment property and right of use assets amounting to \$19,868 thousand and \$5,420 thousand, respectively.

Note: 4) Reclassification from investment property of \$9,370 thousand.

As of March 28, 2014, the Bank sold the self-owned building, located at No. 330 Zhongzheng Rd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.) with the price of \$950,000 thousand. Gain on disposal of the building amounting to \$37,615 thousand was recognized after deducting the related expenses of \$495,714 thousand and carrying value. According to the Banking Bureau's letter dated May 15, 2013 (Ref. No. 10200070270), while banks sale and lease back real estates, the gain on property exchange shall be deferred. The gain deferred by the Bank on property exchange for sale and lease back as of December 31, 2023 and 2022, were \$18,069 thousand and \$32,526 thousand, respectively, which was recognized as other liabilities-deferred revenue. The realized gain on property exchange for the years ended December 31, 2023 and 2022, were both \$14,457 thousand, which were recognized as gain on property exchange and other non-interest income-investment property. The gain on property exchange for the year ended December 31, 2023, with the sale of company vehicle amounting to \$20 thousand.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(l) Right-of-use assets

<b>December 31, 2023</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net</b>
Buildings	792,271	(401,772)	390,499
Transportation equipment	21,962	(11,280)	10,682
Other equipment	15,744	(14,789)	955
<b>Total</b>	<b>\$ 829,977</b>	<b>(427,841)</b>	<b>402,136</b>

<b>December 31, 2022</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net</b>
Buildings	741,733	(319,085)	422,648
Transportation equipment	21,663	(11,605)	10,058
Other equipment	15,744	(11,456)	4,288
<b>Total</b>	<b>\$ 779,140</b>	<b>(342,146)</b>	<b>436,994</b>

Movements of cost were as follows:

	<b>January 1, 2023</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Other (note 1)</b>	<b>December 31, 2023</b>
Buildings	\$ 741,733	129,158	(84,040)	5,420	792,271
Transportation equipment	21,663	8,964	(8,665)	-	21,962
Other equipment	15,744	-	-	-	15,744
<b>Total</b>	<b>\$ 779,140</b>	<b>138,122</b>	<b>(92,705)</b>	<b>5,420</b>	<b>829,977</b>

Note: 1) Reclassification from leasehold improvements of \$5,420 thousand.

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>December 31, 2022</b>
Buildings	\$ 664,316	222,023	(144,606)	741,733
Transportation equipment	21,224	8,265	(7,826)	21,663
Other equipment	15,744	-	-	15,744
<b>Total</b>	<b>\$ 701,284</b>	<b>230,288</b>	<b>(152,432)</b>	<b>779,140</b>

Movements of accumulated depreciation were as follows:

	<b>January 1, 2023</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Other (note 2)</b>	<b>December 31, 2023</b>
Buildings	\$ 319,085	161,307	(84,040)	5,420	401,772
Transportation equipment	11,605	8,340	(8,665)	-	11,280
Other equipment	11,456	3,333	-	-	14,789
<b>Total</b>	<b>\$ 342,146</b>	<b>172,980</b>	<b>(92,705)</b>	<b>5,420</b>	<b>427,841</b>

Note: 2) Reclassification from accumulated depreciation - leasehold improvements of \$5,420 thousand.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

	January 1, 2022	Additions	Disposals or retirements	December 31, 2022
Buildings	\$ 303,892	159,799	(144,606)	319,085
Transportation equipment	11,479	7,952	(7,826)	11,605
Other equipment	8,024	3,432	-	11,456
Total	<u>\$ 323,395</u>	<u>171,183</u>	<u>(152,432)</u>	<u>342,146</u>

(m) Investment property, net

December 31, 2023	Cost	Accumulated depreciation	Net
Land	\$ 1,457,368	-	1,457,368
Buildings	2,128,336	(353,466)	1,774,870
Total	<u>\$ 3,585,704</u>	<u>(353,466)</u>	<u>3,232,238</u>

December 31, 2022	Cost	Accumulated depreciation	Net
Land	\$ 1,395,631	-	1,395,631
Buildings	2,003,351	(304,160)	1,699,191
Total	<u>\$ 3,398,982</u>	<u>(304,160)</u>	<u>3,094,822</u>

Movements of cost were as follows:

	January 1, 2023	Additions	Disposals or retirements	Reclassification (note 1)	December 31, 2023
Land	\$ 1,395,631	-	-	61,737	1,457,368
Buildings	2,003,351	-	-	124,985	2,128,336
Total	<u>\$ 3,398,982</u>	<u>-</u>	<u>-</u>	<u>186,722</u>	<u>3,585,704</u>

	January 1, 2022	Additions	Disposals or retirements	Reclassification (note 2)	December 31, 2022
Land	\$ 1,051,343	22,512	-	321,776	1,395,631
Buildings	1,957,000	-	-	46,351	2,003,351
Total	<u>\$ 3,008,343</u>	<u>22,512</u>	<u>-</u>	<u>368,127</u>	<u>3,398,982</u>

Note: 1) Reclassification from land and buildings under property and equipment amounting to \$61,737 thousand and \$124,985 thousand, respectively.

Note: 2) Reclassification from land and buildings under property and equipment amounting to \$321,776 thousand and \$55,057 thousand, respectively and reclassification to construction in progress under property and equipment amounting to \$8,706 thousand.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

Movements of accumulated depreciation were as follows:

	<b>January 1, 2023</b>	<b>Current increase</b>	<b>Current decrease</b>	<b>Reclassification (note 3)</b>	<b>December 31, 2023</b>
Building	\$ <u>304,160</u>	<u>29,438</u>	<u>-</u>	<u>19,868</u>	<u>353,466</u>
	<b>January 1, 2022</b>	<b>Current increase</b>	<b>Current decrease</b>	<b>Reclassification (note 4)</b>	<b>December 31, 2022</b>
Building	\$ <u>269,191</u>	<u>29,509</u>	<u>-</u>	<u>5,460</u>	<u>304,160</u>

Note: 3) Reclassification from land and buildings under property and equipment amounting to \$19,868 thousand.

Note: 4) Reclassification from land and buildings under property and equipment amounting to \$9,370 thousand and reclassification to construction in progress under property and equipment amounting to \$3,910 thousand.

According to the evaluation of investment property by external and internal appraisers, the fair value of the investment property held by the Bank as of December 31, 2023 and 2022, were \$6,687,514 thousand and \$6,315,313 thousand, respectively. The appraisal approaches including sales comparison approach, income approach, and land development analysis.

The investment properties held by the Bank included commercial real estate leasing to others. Every leasing contract contained originally nonrenewable leasing period. The subsequent leasing periods were negotiated with lessees and there were no contingent rents. The rental income from investment property for the years ended December 31, 2023 and 2022 amounting to \$127,464 thousand and \$122,522 thousand, respectively.

As of December 31, 2023, the investment properties owned by the Bank were not under pledge.

(n) Intangible assets, net

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Goodwill	\$ 2,197,921	2,197,921
Computer software	139,328	164,236
Core deposits	<u>69,797</u>	<u>77,018</u>
Total	<u>\$ 2,407,046</u>	<u>2,439,175</u>

Goodwill of the Bank arose from acquisition of the outstanding assets and liabilities of The Ninth Credit Cooperative of Taipei, The Fifth Credit Cooperative of Kaohsiung and The First Credit Cooperative of Chiayi.

The Bank performs impairment test of goodwill based on projected future cash flow with normal operation situation and business cycle.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

Movements of intangible assets were as follows:

	<b>January 1, 2023</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Amortization</b>	<b>Other (note 1)</b>	<b>December 31, 2023</b>
Goodwill	\$ 2,197,921	-	-	-	-	2,197,921
Computer software	164,236	-	-	(48,107)	23,199	139,328
Core deposits	77,018	-	-	(7,221)	-	69,797
Total	<u>\$ 2,439,175</u>	<u>-</u>	<u>-</u>	<u>(55,328)</u>	<u>23,199</u>	<u>2,407,046</u>

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Amortization</b>	<b>Other (note 2)</b>	<b>December 31, 2022</b>
Goodwill	\$ 2,197,921	-	-	-	-	2,197,921
Computer software	158,300	-	-	(46,906)	52,842	164,236
Core deposits	84,239	-	-	(7,221)	-	77,018
Total	<u>\$ 2,440,460</u>	<u>-</u>	<u>-</u>	<u>(54,127)</u>	<u>52,842</u>	<u>2,439,175</u>

Note: 1) Reclassification from other assets — prepayments amounting to \$23,199 thousand.

2) Reclassification from other assets — prepayments amounting to \$52,842 thousand.

(o) Other assets, net

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Prepayments	\$ 80,103	67,602
Refundable deposits	516,764	517,518
Total	<u>\$ 596,867</u>	<u>585,120</u>

Movements of the foreclosed collateral were as follows:

	<b>January 1, 2023</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Reclassification</b>	<b>December 31, 2023</b>
Cost	\$ 23,994	-	-	-	23,994
Less: Accumulated impairment	23,994	-	-	-	23,994
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	<b>January 1, 2022</b>	<b>Additions</b>	<b>Disposals or retirements</b>	<b>Reclassification</b>	<b>December 31, 2022</b>
Cost	\$ 23,994	-	-	-	23,994
Less: Accumulated impairment	23,994	-	-	-	23,994
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)



**Bank of Panhsin**  
**Notes to the Financial Statements**

(p) Deposits from Central Bank and other banks

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Deposits from banks	\$ 308,892	308,932
Deposits transferred from the Post Office	2,520	2,520
Call loans from bank	614,700	959,906
Total	<u><u>\$ 926,112</u></u>	<u><u>1,271,358</u></u>

(q) Securities sold under repurchase agreements

<b>December 31, 2023</b>				
<b>Item</b>	<b>Par Value</b>	<b>Selling price (note)</b>	<b>Designated repurchase amount</b>	<b>Designated repurchase date</b>
Financial assets at fair value through other comprehensive income	\$ 6,761,700	5,537,354	5,591,564	Before February 27, 2024
Investments in debt instruments at amortized cost	706,905	632,347	638,499	Before January 5, 2024
Total	<u><u>\$ 7,468,605</u></u>	<u><u>6,169,701</u></u>	<u><u>6,230,063</u></u>	

<b>December 31, 2022</b>				
<b>Item</b>	<b>Par Value</b>	<b>Selling price (note)</b>	<b>Designated repurchase amount</b>	<b>Designated repurchase date</b>
Financial assets at fair value through other comprehensive income	\$ 1,535,400	1,276,694	1,286,611	Before February 21, 2023
Investments in debt instruments at amortized cost	1,381,860	1,155,731	1,166,271	Before February 3, 2023
Total	<u><u>\$ 2,917,260</u></u>	<u><u>2,432,425</u></u>	<u><u>2,452,882</u></u>	

Note: Recognized under securities sold under repurchase agreements.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(r) Payable

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts payable	\$ 42,815	49,042
Accrued expense	477,104	442,683
Accrued Tax	60,542	53,006
Interest payable	509,686	348,749
Acceptance payable	1,750,704	1,665,560
Dividends payable	98	62
Collection payable	98,883	102,428
Spot exchange payable	503	405
Other payables	<u>885,608</u>	<u>955,562</u>
Total	<b><u>\$ 3,825,943</u></b>	<b><u>3,617,497</u></b>

(s) Deposits and remittances

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Checking account	\$ <u>2,255,991</u>	<u>2,113,378</u>
Demand deposits		
Demand deposits	55,462,248	54,308,690
Demand savings deposits	59,851,062	61,891,554
Staff deposits	<u>1,319,066</u>	<u>1,311,863</u>
Subtotal	<u>116,632,376</u>	<u>117,512,107</u>
Time deposits		
Time deposits	40,886,267	36,700,858
Negotiable certificates of deposit	<u>250,800</u>	<u>334,300</u>
Subtotal	<u>41,137,067</u>	<u>37,035,158</u>
Time savings deposits		
Installment savings deposits	84,284	82,184
Non-interest-drawing time savings deposits	17,943,376	16,120,789
Interest-drawing savings deposits	<u>74,113,040</u>	<u>67,657,569</u>
Subtotal	<u>92,140,700</u>	<u>83,860,542</u>
Foreign currency time deposits	<u>30,472,888</u>	<u>31,625,166</u>
Remittances	<u>6,574</u>	<u>45,565</u>
Total	<b><u>\$ 282,645,596</u></b>	<b><u>272,191,916</u></b>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(t) Financial debenture

Name of bond	During	Interest rate	December 31, 2023	December 31, 2022
The first series of the non-cumulative perpetual subordinate financial debenture in 2016	2016.08.31 (note 1)	Fixed 4.75%	\$ 1,216,000	1,216,000
The second series of the non-cumulative perpetual subordinate financial debenture in 2016	2016.09.30 (note 1)	Fixed 4.75%	410,000	410,000
The first series of the subordinate financial debenture in 2017	2017.03.22~ 2024.03.22	Fixed 2.50%	397,000	397,000
The second series of the subordinate financial debenture in 2017	2017.03.31~ 2024.03.31	Fixed 2.50%	305,000	305,000
The third series of the non-cumulative perpetual subordinate financial debenture in 2017	2017.04.28 (note 1)	Fixed 4.75%	150,000	150,000
The fourth series of the non-cumulative perpetual subordinate financial debenture in 2017	2017.07.21 (note 1)	Fixed 4.75%	133,000	133,000
The fifth series of the subordinate financial debenture in 2017	2017.11.15~ 2024.11.15	Fixed 2.50%	700,000	700,000
The first series of the subordinate financial debenture in 2019	2019.06.26~ 2026.06.26	Fixed 2.25%	660,000	660,000
The first series of the subordinate financial debenture in 2021	2021.06.28~ 2028.06.28	Fixed 1.50%	1,000,000	1,000,000
The second series of the subordinate financial debenture in 2021	2021.09.29~ 2028.09.29	Fixed 1.50%	1,000,000	1,000,000
The first series of the subordinate financial debenture in 2023	2023.12.25~ 2030.12.25	Fixed 2.70%	880,000	-
			<u><u>\$ 6,851,000</u></u>	<u><u>5,971,000</u></u>

Note 1: No expiration date, five years after the issuance, the Bank could obtain the full amount of interest in advance according to the denomination.

(u) Provisions

	December 31, 2023	December 31, 2022
Employee benefit obligation—pension	\$ 101,858	89,731
Employee benefit obligation—retired employee preferential interest rate deposits	33,235	33,604
Provision for guarantee liabilities	95,070	92,064
Provision for loan commitments	22,023	21,933
Other provisions	10,819	9,538
Provision for decommissioning	<u>23,170</u>	<u>20,250</u>
Total	<u><u>\$ 286,175</u></u>	<u><u>267,120</u></u>

(Continued)

## Bank of Panhsin

### Notes to the Financial Statements

For the years ended December 31, 2023 and 2022, changes in provision was as follows:

	2023						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 32,231	-	3,535	-	35,766	87,769	123,535
Changes due to instruments that have been identified at the beginning of the period:							
—The financial assets that have been derecognized	(13,045)	-	-	-	(13,045)		(13,045)
New financial assets originated or purchased	9,106	-	321	-	9,427		9,427
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"						(450)	(450)
Foreign exchange and other movement	11,959	-	(3,514)	-	8,445		8,445
Ending balance	\$ 40,251	-	342	-	40,593	87,319	127,912

	2022						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 37,355	2,205	-	-	39,560	87,258	126,818
Changes due to instruments that have been identified at the beginning of the period:							
—Transfer to credit-impaired financial assets	(189)	(2,141)	2,330	-	-		-
—The financial assets that have been derecognized	(10,864)	(64)	-	-	(10,928)		(10,928)
New financial assets originated or purchased	14,838	-	-	-	14,838		14,838
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"						511	511
Foreign exchange and other movement	(8,909)	-	1,205	-	(7,704)		(7,704)
Ending balance	\$ 32,231	-	3,535	-	35,766	87,769	123,535

(v) Lease liabilities

Amount of lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Lease liabilities	\$ <u>400,981</u>	<u>438,093</u>

For the maturity analysis, please refer to note 6(an) Financial instruments.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

The amounts recognized in profit or loss was as follows:

	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	<u>\$ 9,225</u>	<u>10,209</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 2,711</u>	<u>2,493</u>
Expenses relating to short-term leases	<u>\$ 201</u>	<u>292</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 3,271</u>	<u>3,222</u>

The amounts recognized in the statement of cash flows for the Bank was as follows:

	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<u>\$ 186,984</u>	<u>184,331</u>

(i) Buildings

The Bank leases land and buildings for its branches and parking spaces. The leases typically run for a period of 2 to 10 years.

(ii) Others

The Bank also leases transportation equipment and other equipment with contract terms of 1 to 3 years and 5 years, respectively. These leases are short-term and/or leases of low-value items. The Bank has elected not to recognize right-of-use assets and lease liabilities for these leases.

(w) Other liabilities

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unearned revenue	\$ 57,876	45,267
Advance interest receipts	114	487
Other advance receipts	3,423	9,356
Guarantee deposits received	166,012	181,778
Deferred revenue	18,069	32,526
Temporary receipts and suspense accounts	<u>22,894</u>	<u>21,960</u>
Total	<u>\$ 268,388</u>	<u>291,374</u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(x) Employee benefits

(i) Defined benefits plan-pension

The present value of defined benefit obligation and the fair value adjustments of the plan assets for the Bank were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Present value of the defined benefit	\$ 621,060	620,608
Fair value of plan assets obligations	(519,202)	(530,877)
	101,858	89,731
Effect of Asset Ceiling	-	-
Net defined benefit liability (provision-employee benefit obligation—pension)	<b>\$ 101,858</b>	<b>89,731</b>

1) Composition of plan assets

The Bank maintains funds for its retirement plan covering all regular employees and recognizing the pension expense based on the actuarial report.

In accordance with the retirement plan, payments of pension benefits are calculated based on the employees' average monthly salary for the last six months prior to their approved retirement and base point (b.p.) entitlement. The b.p. earned by each employee is 2 b.p. for one year of service, and 1 b.p. for the 15th year and thereafter where the maximum b.p. is 45 b.p. The b.p. for employees who rendered services for less than one year and over half year will be 0.5 b.p. and 1 b.p., respectively.

Under the Labor Standards Act, the Bank makes monthly contributions of no less than 2% of the gross salary to the employees' pension fund, which is deposited into a designated depository account with Bank of Taiwan. As well, the Bank contributes pension fund at the rate of 3.5% (previously at 4.7% until February 2001) of the monthly payroll to the employees' pension fund administration committee, which is being deposited in the committee's name in the Bank's Operating Department for interest bearing. This pension fund is not reflected in the financial statements.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Bank were as follows:

	<b>2023</b>	<b>2022</b>
Defined benefit obligation at January 1	\$ 620,608	674,956
Current service costs and interest	15,696	13,122
Remeasurements of a net defined benefit liability (assets)		
— Actuarial losses (gains) arising from experience adjustments	10,920	5,343
— Actuarial losses (gains) arising from changes in financial assumptions	4,985	(33,412)
Benefits paid by the plan	(31,149)	(39,401)
Defined benefit obligation at December 31	<u><u>\$ 621,060</u></u>	<u><u>620,608</u></u>

3) Movements of the defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Bank were as follows:

	<b>2023</b>	<b>2022</b>
Fair value of plan assets at January 1	\$ 530,877	521,277
Current interest	7,500	3,948
Remeasurements of the net defined benefit liabilities (assets)—return on plan assets (excluding current interest)	3,022	35,385
Contribution plans made	8,952	9,668
Benefits paid by the plan	(31,149)	(39,401)
Fair value of plan assets at December 31	<u><u>\$ 519,202</u></u>	<u><u>530,877</u></u>

4) Movements of the effect of the asset ceiling

There were no movements in the effect of the asset ceiling for the Bank in 2023 and 2022.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

5) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Bank were as follows:

	<b>2023</b>	<b>2022</b>
Current service costs	\$ 7,007	8,060
Net interests on net defined benefit liabilities (Operation expense)	1,189	1,114
	<b>\$ 8,196</b>	<b>9,174</b>

6) Net remeasurement of the defined benefits liability recognized in other comprehensive income

The Bank's net remeasurement of the defined benefits liability recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	<b>2023</b>	<b>2022</b>
Cumulative amounts at January 1	\$ (4,939)	58,515
Recognized during the period	12,883	(63,454)
Cumulative amounts at December 31	<b>\$ 7,944</b>	<b>(4,939)</b>

7) Actuarial assumptions

The following are the Bank's principal actuarial assumptions:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Managers</b>	<b>Regular employees</b>	<b>Managers</b>	<b>Regular employees</b>
Discount rate	1.30 %	1.30 %	1.40 %	1.40 %
Future salary increase	2.00 %	2.00 %	2.00 %	2.00 %

The Bank expected the contributions of \$8,952 thousand to be paid to its benefit plans within a year after the reporting date in 2023.

As of December 31, 2023, the weighted average durations for managers and regular employees based on the defined benefit plan were 8 and 10 years, respectively.

8) Sensitivity analysis for actuarial assumption

When calculating the present value of the defined benefit obligations, the Bank uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

As of December 31, 2023 and 2022, the effect of changes in actuarial assumption on the present value of the defined benefit obligation was as follows:

	<b>The effect of defined benefit obligation</b>	
	<b>Increase%</b>	<b>Decrease%</b>
At December 31, 2023		
Discount rate (changes 0.25%)	(2.05)%	2.11 %
Future salary increase (changes 0.25%)	2.04 %	(1.99)%
At December 31, 2022		
Discount rate (changes 0.25%)	(2.11)%	2.18 %
Future salary increase (changes 0.25%)	2.11 %	(2.05)%

The above sensitivity analysis is analyzed based on the effect of changes in a single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be correlative. The method used for sensitivity analysis and the calculation of the net pension liability are the same.

The method used for measurement and the assumption used for sensitivity analysis are the same with those of the previous years.

(ii) Defined benefit plans—retired employee preferential interest rate deposits

The present value of the defined benefit obligations and the fair value of the plan assets of the Bank were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Present value of the defined benefit	\$ 33,235	33,604
Fair value of plan asset obligations	-	-
	33,235	33,604
Effect of Asset Ceiling	-	-
Net defined benefit liabilities (provisions-employee benefit obligations—retired employee preferential interest rate deposits)	<u><u>\$ 33,235</u></u>	<u><u>33,604</u></u>

1) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Bank were as follows:

	<b>2023</b>	<b>2022</b>
Current service costs (as costs recognized for the preferential interest rate deposit plan)	<u><u>\$ (369)</u></u>	<u><u>(372)</u></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

2) Actuarial assumptions

Actuarial assumptions used for the preferential interest rate deposit plan of the Bank were as follows:

	<u>2023</u>	<u>2022</u>
Discount rates	4.00 %	4.00 %
Returns on fund deposits	2.00 %	2.00 %
Withdrawal rates	1.00 %	1.00 %
Possibility of changes in the preferential deposit plan	50.00 %	50.00 %
Preferential interests	4.57 %	4.32 %

(iii) Defined contribution plans

The Bank allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Bank allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Bank's pension costs under the defined contribution method were \$51,777 thousand and \$52,738 thousand, respectively, for the years ended December 31, 2023 and 2022. Payment was made to the Bureau of Labor Insurance.

(y) Income tax

(i) The income tax expenses for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Income tax expense	\$ 214,710	190,457
Deferred income tax expense	<u>171</u>	<u>62,898</u>
Income tax expense	<u><u>\$ 214,881</u></u>	<u><u>253,355</u></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

Reconciliation of income tax and profit before tax for the years ended December 31, 2023 and 2022 were as follows:

	<b>2023</b>	<b>2022</b>
Profit before tax	<b>\$ <u>1,902,586</u></b>	<b><u>1,898,815</u></b>
Income tax at statutory rate	\$ 380,517	379,763
Income of OBU exempt from tax	(181,876)	(142,494)
Investment income under the equity method	(11,090)	17,388
Dealing gain from securities trading, net	3,655	33,378
Dividend income	(10,173)	(10,036)
Capital reduction for offsetting loss of the subsidiaries	-	(27,000)
Adjustment of prior year's tax	(7,841)	9,852
Basic income tax	41,899	26,860
Other	<u>(210)</u>	<u>(34,356)</u>
Income tax expense	<b>\$ <u>214,881</u></b>	<b><u>253,355</u></b>

(ii) Deferred tax assets and liabilities—Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022, were as follows:

Deferred tax liabilities:

	<b>Operating leases</b>	<b>Land incremental tax</b>	<b>Total</b>
<b>December 31, 2023 (As of December 31 and January 1, 2022)</b>	<b>\$ <u>3,538</u></b>	<b><u>105,285</u></b>	<b><u>108,823</u></b>

Deferred tax assets:

	<b>Defined benefit plan</b>	<b>Allowance for bad debts in excess of limit</b>	<b>Tax loss</b>	<b>Others</b>	<b>Total</b>
<b>January 1, 2023</b>	\$ 40,668	166,021	-	13,403	220,092
Recognized in profit or loss	(151)	-	-	(20)	(171)
<b>December 31, 2023</b>	<b>\$ <u>40,517</u></b>	<b><u>166,021</u></b>	<b><u>-</u></b>	<b><u>13,383</u></b>	<b><u>219,921</u></b>
<b>January 1, 2022</b>	\$ 40,767	166,021	62,939	13,263	282,990
Recognized in profit or loss	(99)	-	(62,939)	140	(62,898)
<b>December 31, 2022</b>	<b>\$ <u>40,668</u></b>	<b><u>166,021</u></b>	<b><u>-</u></b>	<b><u>13,403</u></b>	<b><u>220,092</u></b>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(iii) Examined status

The Banks' tax returns were examined by the tax authorities for all years through 2021.

(z) Equity

(i) Capital stock

As of December 31, 2023 and 2022 the Bank's authorized capital and issued capital were both \$18,000,000 thousand, and paid-in capital for common stock were \$17,204,422 thousand and \$16,639,182 thousand, respectively.

Following the resolution of shareholders' meeting held on June 19, 2023, the Bank resolved a capital increase of 56,524 thousand common stocks to be issued at NT\$10 per share from the retained earnings amounting to \$565,240 thousand, with August 4, 2023 as its issuance date for capital increase. The Bank had completed the registration.

Following the resolution of shareholders' meeting held on June 17, 2022, the Bank resolved a capital increase of 82,763 thousand common stocks to be issued at NT\$10 per share from the retained earnings amounting to \$827,629 thousand, with August 19, 2022 as its issuance date for capital increase. The Bank had completed the registration.

(ii) Capital surplus

The balance of capital surplus was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Other	<u><u>\$ 554</u></u>	<u><u>554</u></u>

Pursuant to the Company Act, realized capital surplus should be used initially to cover the deficit (or a loss), and the balance, if any, can be transferred to capital or distributed as case dividend. Also, realized capital surplus includes premium income derived from the issuance of new shares and endowments received by the Bank. According to the Regulation Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus used to increase capital shall not exceed 10% of the total paid-in capital.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(iii) Changes in the Bank's other equity interest were as follows:

	Foreign currency translation difference for foreign operations	Gains (losses) on financial assets measured at fair value through other comprehensive income	Total
January 1, 2023	\$ (6,066)	(501,700)	(507,766)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	141,326	141,326
Reclassified accumulated profit (loss) to profit or loss on disposal of investments in debt instruments measured at fair value through other comprehensive income	-	11,812	11,812
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	11,594	11,594
Foreign currency translation differences for foreign operations	(10,544)	-	(10,544)
December 31, 2023	<u>\$ (16,610)</u>	<u>(336,968)</u>	<u>(353,578)</u>
January 1, 2022	\$ (23,491)	113,525	90,034
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(763,431)	(763,431)
Reclassified accumulated profit (loss) to profit or loss on disposal of investments in debt instruments measured at fair value through other comprehensive income	-	7,809	7,809
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	140,397	140,397
Foreign currency translation differences for foreign operations	17,425	-	17,425
December 31, 2022	<u>\$ (6,066)</u>	<u>(501,700)</u>	<u>(507,766)</u>

(aa) Restrictions on legal reserve and appropriation of retained earnings

The ROC Company Act stipulates that when a company incurs no loss, it may, pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserve by issuing new shares or distributing cash. Only the portion of legal reserve which exceeds 25% of the issued share capital may be distributed. However, according to the Bank Act of the Republic of China, unless and until the accumulated legal reserve equals the Bank's paid-in capital, the maximum cash profit which may be distributed shall not exceed 15% of the Bank's paid-in capital.

According to the Bank's Articles of Incorporation, any annual earnings of the Bank shall first be used to pay income tax and offset any deficits, after which, 30% of the remaining earnings, as well as the special reserve, shall be provided as legal reserve. Afterwards, the board of directors may propose during shareholders' meeting to distribute the remaining, along with previous years' accumulated undistributed surplus earnings, as dividends among the shareholders.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

In accordance with Ruling No. 10510001510 issued by the FSC on May 25, 2016, a special reserve accounted for 0.5% to 1.0% of the Bank's annual earnings should be made when making the appropriations of earnings from 2016 to 2018 to cope with the staff transformation due to financial technology development. The Bank may reverse the special reserve at the same amount with the actual spending on transitioning or settling of its employees beginning 2019. On June 19, 2023 and June 17, 2022, the shareholders' meetings resolved to reverse and appropriate the reserve amounting to \$2 thousand and \$16 thousand, respectively.

The 2023 retained earnings to be distributed as stock dividends and cash dividends amounting to \$1,169,900 thousand and \$34,409 thousand, at a par value of NT\$0.68 and NT\$0.020 per share, respectively, had been resolved by the board at the shareholders' meeting held on February 21, 2024 for approval.

The 2022 retained earnings distributed as stock dividends and cash dividends amounting to \$565,240 thousand and \$24,959 thousand, at a par value of NT\$0.34 and NT\$0.015 per share, respectively, had been resolved during the shareholders' meeting held on June 19, 2023.

The 2021 retained earnings distributed as stock dividends and cash dividends amounting to \$827,629 thousand and \$23,717 thousand, at a par value of NT\$0.52 and NT\$0.015 per share, respectively, had been resolved during the shareholders' meeting held on July 17, 2022.

The related information on earnings distribution resolved at the shareholders' meeting and board meeting is available on the Market Observation Post System Website.

(ab) Earnings per share

The basic earnings per share of the Bank for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
<b>Basic earnings per share</b>		
Net income attributable to ordinary shareholders of the Bank	\$ <u><u>1,687,705</u></u>	<u><u>1,645,460</u></u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u><u>1,720,442</u></u>	<u><u>1,720,442</u></u>
Basic earnings per share (in New Taiwan dollars)	\$ <u><u>0.98</u></u>	<u><u>0.96</u></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

	<u>2023</u>	<u>2022</u>
<b>Diluted earnings per share</b>		
Net income for calculating diluted earnings per share	\$ <u><b>1,687,705</b></u>	<u><b>1,645,460</b></u>
Weighted-average number of thousand ordinary shares outstanding	1,720,442	1,720,442
Influence of potentially dilutives shares		
Conversion of convertible compensation	<u>3,674</u>	<u>3,912</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u><b>1,724,116</b></u>	<u><b>1,724,354</b></u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u><b>0.98</b></u>	<u><b>0.95</b></u>
(ac) Net interest income		
	<u>2023</u>	<u>2022</u>
Interest income		
Loans and discounts	\$ 6,455,032	4,775,567
Deposit reserves from Central Bank	71,357	35,152
Due from banks and call loans to banks	69,831	23,332
Investment in securities	1,124,570	670,044
Others	<u>42,439</u>	<u>52,311</u>
Subtotal	<u>7,763,229</u>	<u>5,556,406</u>
Interest expense		
Deposits from customers	3,754,543	1,712,851
Due to Central Bank and other banks	143,506	80,051
Securities sold under repurchase agreements	207,820	83,372
Financial debenture	171,033	170,578
Lease liabilities	9,225	10,209
Others	<u>479</u>	<u>569</u>
Subtotal	<u>4,286,606</u>	<u>2,057,630</u>
	<u><b>\$ 3,476,623</b></u>	<u><b>3,498,776</b></u>

The interest above did not include interest from financial assets or liabilities at fair value through profit or loss.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(ad) Service fees, net

	<u>2023</u>	<u>2022</u>
Service fee income		
Insurance agent	\$ 264,177	237,920
Agency	7,385	7,920
Loans	390,996	389,432
Trusts	266,035	248,200
Foreign exchange	38,157	45,008
Interbank	22,937	23,117
Guarantee	105,345	91,250
Others	<u>3,452</u>	<u>4,708</u>
Service fee income total	<u>1,098,484</u>	<u>1,047,555</u>
Service fee expense		
Remittance	4,263	4,274
Custodian	6,387	4,820
Agency	1,887	1,974
Others	12,448	9,243
Trusts	760	1,256
Interbank	<u>16,361</u>	<u>15,539</u>
Service fee expense total	<u>42,106</u>	<u>37,106</u>
	<u><b>\$ 1,056,378</b></u>	<u><b>1,010,449</b></u>

(ae) Gain (loss) on financial assets or liabilities at fair value through profit or loss

	<u>2023</u>	<u>2022</u>
Gain (loss) on disposal		
Government bonds	\$ -	(4,047)
Commercial paper	(137)	-
Beneficiary certificates	(261)	4,180
Equity securities	5,950	(19,808)
Derivatives	<u>26,815</u>	<u>32,342</u>
Subtotal	<u>32,367</u>	<u>12,667</u>

(Continued)



**Bank of Panhsin**  
**Notes to the Financial Statements**

	<b>2023</b>	<b>2022</b>
Revaluation gains (losses)		
Government bonds	\$ -	26
Commercial paper	(75)	42
Equity securities	1,301	(898)
Beneficiary certificates	(4)	1,221
Derivatives	<u>287</u>	<u>(7,329)</u>
Subtotal	<u>1,509</u>	<u>(6,938)</u>
Dividend income	<u>1,317</u>	<u>1,024</u>
Interest income	<u>40,417</u>	<u>9,208</u>
Total	<u><b>\$ 75,610</b></u>	<u><b>15,961</b></u>
(af) Realized gain on financial assets at fair value through other comprehensive income		
	<b>2023</b>	<b>2022</b>
Gains on disposal of investments in debt instruments	\$ 11,812	7,809
Dividend income	<u>49,549</u>	<u>49,157</u>
	<u><b>\$ 61,361</b></u>	<u><b>56,966</b></u>
(ag) Reversal of (provision for) impairment loss on assets		
	<b>2023</b>	<b>2022</b>
Reversal of (provision for) impairment loss on investments in debt instruments at fair value through other comprehensive income	\$ 3,984	(108)
Provision for impairment loss on investments in debt instruments measured at amortized cost	(1,314)	(119)
	<u><b>\$ 2,670</b></u>	<u><b>(227)</b></u>
(ah) Other non-interest income (loss), net		
	<b>2023</b>	<b>2022</b>
Loss on disposal of assets	\$ (1,274)	(1,546)
Investment property depreciation	(29,438)	(29,509)
Others income (loss), net	<u>29,546</u>	<u>36,065</u>
Total	<u><b>\$ (1,166)</b></u>	<u><b>5,010</b></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(ai) Bad debt expense and reserve for guarantees

	<b>2023</b>	<b>2022</b>
Provision for allowance for loans and discounts	\$ 54,153	56,672
Provision for guarantee liabilities	3,006	4,033
Provision for (reversal of) loan commitments	90	(5,987)
Provision for (reversal of) other provision	1,281	(1,329)
Provision for (reversal of) allowance for receivables	(1,212)	7,273
Provision for (reversal of) other financial assets	(2,459)	2,509
Total	<u><u>\$ 54,859</u></u>	<u><u>63,171</u></u>

(aj) Employee benefits expense

	<b>2023</b>	<b>2022</b>
Salary	\$ 1,463,999	1,410,423
Labor and health insurance	114,365	114,410
Pension	59,973	61,912
Others	61,083	57,645
Total	<u><u>\$ 1,699,420</u></u>	<u><u>1,644,390</u></u>

(ak) Remuneration to employees and directors

In compliance with the Bank's Articles of Incorporation, annual earnings shall first be offset against any deficit, and then 2% will be distributed as employee remuneration and a maximum of 1% will be allocated as directors' remuneration.

For the years ended December 31, 2023 and 2022, the Bank accrued and recognized the remuneration to its employees amounting to \$39,229 thousand and \$39,151 thousand, respectively; and directors amounting to \$19,614 thousand and \$19,575 thousand, respectively. The remuneration to employee and directors is based on a percentage of net income before income tax for the given time of the Bank excluding remuneration to employees and directors and cumulative losses, then multiplying the separate parameter in compliance with the Bank's articles. The estimated percentage rates of the remuneration to employees and directors are 2% and 1%, respectively. The remuneration to employee and directors should be reported as operating expenses in the current year. If there are any changes after the reporting date in the following year, the changes would be treated as accounting estimates and recognized in profit or loss. For the year ended December 31, 2022, the Bank accrued and recognized the remuneration to its employees and directors amounting to \$39,151 thousand and \$19,575 thousand, respectively. A resolution on the remuneration to the Bank's employees and directors in 2022 was approved during the Board meeting held on February 22, 2023, in which there was no difference between the estimated amount and the actual amount distributed. The information is available at the Market Observation Post System website.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

(al) Depreciation and amortization expense

	<b>2023</b>	<b>2022</b>
Buildings	\$ 35,403	35,614
Machinery and equipment	28,698	26,691
Transportation equipment	10,336	11,261
Other equipment	32,533	33,387
Leasehold improvement	12,210	15,062
Right-of-use assets	<u>172,980</u>	<u>171,183</u>
Depreciation subtotal	<u>292,160</u>	<u>293,198</u>
Computer software	48,107	46,906
Core deposit	<u>7,221</u>	<u>7,221</u>
Amortization subtotal	<u>55,328</u>	<u>54,127</u>
Total	<u><b>\$ 347,488</b></u>	<u><b>347,325</b></u>

(am) Other general and administrative expense

	<b>2023</b>	<b>2022</b>
Rental and facility	\$ 16,597	9,951
Administrative	317,439	332,939
Marketing	20,125	19,411
Value-added tax	414,569	343,562
Other expense	<u>142,667</u>	<u>152,760</u>
Total	<u><b>\$ 911,397</b></u>	<u><b>858,623</b></u>

(an) Financial instruments

(i) Methods and assumptions applied to estimate the fair value of financial instruments are summarized as follows:

- 1) The Bank measured fair value of short-term financial instruments based on book value due to insignificant duration, it believes that book value provides a reasonable basis. The method adopted for the following subjects: Cash and cash equivalents, Due from Central Bank and call loans to banks, Securities purchased under resell agreements, Receivables, Other financial assets, Due to Central Bank and other banks, Securities sold under repurchase agreements, Payables, and Deposits and remittances.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

- 2) For financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income, the quoted market price is regarded as its fair value. If there is no quoted price for the financial asset, its fair value is estimated on the basis of a valuation technique that refers to quoted prices provided by financial institutions. Estimates and assumptions for a valuation technique used by the Bank are consistent with the information adopted by market participants when pricing the financial instruments and such information is available to the Bank.
- 3) Loans and discounts, and deposits are interest-bearing assets or liabilities; therefore, the book value of both financial assets and liabilities is equivalent to their fair value. The net book value of non-performing accounts, after deducting provision for bad debts, is adopted as their fair value.
- 4) For valuation of financial debentures, the fair value is the present value of future cash flow. The discount rate is based on the interest rate for loans with similar terms (e.g. maturity date).
- 5) For valuation of derivative instruments with no quoted market prices, the fair value is determined on the basis of the discounted cash flow method.
- 6) The Bank estimated the fair value of each forward contract on the basis of exchange rates quoted by Reuters. The fair value of interest rate swap contracts and cross-currency swap contracts is estimated on the basis of market quotations by Reuters.
- 7) The Bank would calculate its Credit Valuation Adjustment (CVA) by assessing the Probability of Default (PD) and Loss Given Default (LGD) of the counterparty before multiplying the Exposure at Default (EAD) of the counterparty. On the contrary, DVA is computed by applying the PD of the Bank and considering the LGD of the Bank before being multiplied by the amount of the EAD of the Bank.

The Bank adopts IFRS 9 or take any observable data into account to evaluate the probability of impairment and loss rate of allowance for doubtful accounts as the estimates of PD and LGD. In addition, mark to market assessment of a derivative instrument from Over the Counter (OTC) is applied as EAD. For those accounts which have significant increase in credit risk, their CVA will be assessed individually by taking into account their changes of exposures, conditions of collaterals and their probabilities of recovery.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

- (ii) Information on fair value hierarchy of financial instruments and movement of financial assets measured at fair value classified in Level 3

- 1) The levels of the fair value hierarchy are described below:

- a) Level 1

Fair value measurement for a financial instrument classified in Level 1 is determined as the quoted price for an identical financial instrument in an active market. The definition of active market has all of the following conditions: (1) the products traded in the market are homogeneous, (2) willing parties are available anytime in the market, and (3) price information is available for the public.

- b) Level 2

Fair value measurement for a financial instrument classified in Level 2 is determined as the observable price other than the quoted price in an active market, including an observable input obtained in an active market, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The examples of an observable price are as follows:

- i) The quoted price for an identical financial instrument in an active market means the fair value from the market transaction prices for an identical financial instrument. An identical financial instrument should be determined by its characteristics and terms of transaction. The fair value of a financial instrument has to be adjusted according to the observable market price of the identical financial instrument. The reasons for adjustments include time lag of the occurring market transaction prices for an identical financial instrument (the quoted prices do not represent the fair value at the measurement date), the difference in transaction terms for financial instruments, transaction prices involving related parties, and the correlation between the observable transaction prices of identical financial instruments and the market prices of held financial instruments.
- ii) The quoted market price of the same or identical financial instruments in an inactive market.
- iii) The fair value is estimated on the basis of the results of a valuation technique, and the market inputs used (i.e., interest rate, yield curve, and fluctuation rate) are based on obtainable data from the market (an observable input means an input can be derived from market data and can reflect the expectation of market participants when the inputs are used in evaluating the prices of financial instruments).
- iv) A majority of inputs are derived from observable market data, or the input correlation can be tested based on observable market data.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

c) Level 3

Input for a fair value measurement for a financial instrument classified in Level 3 is not based on obtainable data from market but is based on the assumption in making appropriate estimates and adjustments. If it is not possible to develop a valuation model, quoted price from the counterparty is used as fair value. Certain derivative instruments, and debts investment without an active market of the Bank and its subsidiary's investment, belong to such category.

2) Fair value hierarchy of financial instruments

Fair value measurement for a financial instrument	December 31, 2023				
	Book value	Level 1	Level 2	Level 3	Total
<b><u>Instruments at fair value</u></b>					
<b><u>Instruments at fair value on a recurring basis</u></b>					
<b><u>Non-Derivative Financial Instruments</u></b>					
<b>Assets</b>					
Financial assets at fair value through profit or loss					
Financial assets mandatorily at fair value through profit or loss					
Investment in equity securities	\$ 12,764	12,764	-	-	12,764
Investment in commercial paper	4,523,373	4,523,373	-	-	4,523,373
Financial assets at fair value through other comprehensive income					
Investment in equity securities	532,199	235,323	-	296,876	532,199
Investment in bonds	15,874,569	6,936,515	8,938,054	-	15,874,569
<b><u>Derivative Financial Instruments</u></b>					
<b>Assets</b>					
Financial assets at fair value through profit or loss	\$ 36,286	-	36,286	-	36,286
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	33,580	-	33,580	-	33,580
<b><u>Instruments not measured at fair value</u></b>					
Financial assets at amortized cost	\$ 53,516,316	49,525,680	2,957,823	-	52,483,503

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# Bank of Panhsin

## Notes to the Financial Statements

Fair value measurement for a financial instrument	December 31, 2022				
	Book value	Level 1	Level 2	Level 3	Total
<b><u>Instruments at fair value</u></b>					
<b><u>Instruments at fair value on a recurring basis</u></b>					
<b><u>Non-Derivative Financial Instruments</u></b>					
<b>Assets</b>					
Financial assets at fair value through profit or loss					
Financial assets mandatorily at fair value through profit or loss					
Investment in equity securities	\$ 17,733	17,733	-	-	17,733
Investment in commercial paper	1,309,501	1,309,501	-	-	1,309,501
Financial assets at fair value through other comprehensive income					
Investment in equity securities	443,736	162,863	-	280,873	443,736
Investment in bonds	15,930,187	6,463,647	9,466,540	-	15,930,187
<b><u>Derivative Financial Instruments</u></b>					
<b>Assets</b>					
Financial assets at fair value through profit or loss	\$ 13,361	-	13,361	-	13,361
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	10,942	-	10,942	-	10,942
<b><u>Instruments not measured at fair value</u></b>					
Financial assets at amortized cost	\$ 52,109,021	50,832,292	-	-	50,832,292

### 3) Movement of financial assets at fair value classified in Level 3

	2023								
				Increase			Decrease		
		The amount recognized in net income	The amount recognized in other comprehensive income	Purchase or issue	Transfer into Level 3	Transfer from financial liabilities in Level 3 to financial assets in Level 3	Sale, disposal, or settlement	Transfer out of Level 3	Transfer from financial assets in Level 3 to financial liabilities in Level 3
Items	Beginning balance								Ending balance
Financial assets at fair value through other comprehensive income	\$ 280,873	-	16,003	-	-	-	-	-	296,876

	2022								
				Increase			Decrease		
		The amount recognized in net income	The amount recognized in other comprehensive income	Purchase or issue	Transfer into Level 3	Transfer from financial liabilities in Level 3 to financial assets in Level 3	Sale, disposal, or settlement	Transfer out of Level 3	Transfer from financial assets in Level 3 to financial liabilities in Level 3
Items	Beginning balance								Ending balance
Financial assets at fair value through other comprehensive income	\$ 263,505	-	17,368	-	-	-	-	-	280,873

### 4) There is no transfer of financial instruments measured at fair value between level 1 and level 2 for the years ended December 31, 2023 and 2022.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

5) Quantitative information about the significant unobservable inputs in Level 3

Quantitative information about the significant unobservable inputs are as follows:

<b>December 31, 2023</b>			
<b>Items</b>	<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>Relation ship between the significant unobservable inputs and fair value</b>
Financial assets at fair value through other comprehensive income-equities investments in inactive market	Market approach-relevant information generated by listed companies	·Liquidity discount (19.37%~30.00%) ·Multiplier (1.18~2.36)	·The higher the liquidity discount, the lower the fair value. ·The higher the multiplier, the higher the fair value.
"	Income approach	·Discount rate (10.71%)	·The higher the discount rate, the lower the fair value.
"	Income approach	·Perpetual growth rate (1.54%)	·The higher perpetual growth rate, the higher the fair value.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

**December 31, 2022**

<b>Items</b>	<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>Relation ship between the significant unobservable inputs and fair value</b>
Financial assets at fair value through other comprehensive income-equities investments in inactive market	Market approach-relevant information generated by listed companies	·Liquidity discount (19.39%~30.00%) ·Multiplier (1.19~1.90)	·The higher the liquidity discount, the lower the fair value. ·The higher the multiplier, the higher the fair value.
"	Income approach	·Discount rate (10.96%)	·The higher the discount rate, the lower the fair value.
"	Income approach	·Perpetual growth rate (1.55%)	·The higher perpetual growth rate, the higher the fair value.

6) Valuation processes for Level 3 fair value measurements

The Bank's Financial Division (the "Division") is responsible for independently verifying fair value, confirming the reasonableness of price provided by third parties.

7) Sensitivity analysis of Level 3 fair value if reasonably possible alternative assumptions are used

	Inputs	Variance	Change in fair value recognize under other comprehensive income	
			Positive	Negative
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equities investments in inactive market	Liquidity discount	1%	450	(450)
	Multiplier	1%	358	(358)
	Discount rate	1%	15,444	(12,208)
	Perpetual growth rate	0.1%	977	(977)

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

			Change in fair value recognize under other comprehensive income	
			Positive	Negative
<b>December 31, 2022</b>				
Financial assets measured at fair value through other comprehensive income				
Equities investments in inactive market	Liquidity discount	1%	404	(404)
	Multiplier	1%	322	(322)
	Discount rate	1%	14,467	(11,476)
	Perpetual growth rate	0.1%	917	(855)
(iii) For the years ended December 31, 2023 and 2022, gain (loss) recognized by the Bank from the fair value evaluation of financial instruments by using valuation techniques amounted to \$27,102 thousand and \$25,013 thousand, respectively.				
(iv) Offsetting financial assets and financial liabilities				
IAS 32 section 42 on “Offsetting financial instruments transaction” is not applicable to the Bank.				
The Bank has no exercisable master netting arrangements or similar agreements (such as repurchase agreement, reverse repurchase and derivatives transaction).				
(v) Financial risk management				
The Bank uses risk management with effective risk diversification to meet its business operating targets, to increase its value, and to ensure benefit to its shareholders. The risk management is based on the needs of customers, business development, overall risk tolerance, and regulatory requirements.				

(Continued)

## **Bank of Panhsin**

### **Notes to the Financial Statements**

To address the interest rate benchmark reform, the Bank has established a LIBOR interest rate benchmark transition team in September 2020. The transition team quarterly reports the international development trend and transition execution progress to the board of directors. After the Bank has assessed its financial and business exposure, only the LIBOR linked foreign currency loans will be affected by the interest rate benchmark reform. In order to control the risk of interest rate benchmark reform, the Bank has implemented the interest rate benchmark reform plan (including the modification of contracts, customer communications, revisions of the internal control policies, changes in system and procedure, and products conversion). As a result of actively engaging in renegotiating terms with clients or counterparties, amending supplementary contracts, or discussing other arrangements, all self-lending cases of which base interest rates linked to LIBOR have been converted and reported to the board of directors prior to the completely transition away from and discontinuance of LIBOR. Currently, the base interest rates of the Bank's foreign currency credit are based on TAIFX3 and TERM SOFR for USD dollars, while the base interest rates for transition away from and discontinuance of other currencies are based on the REUTERS interbank exchange rate.

The major risks that the Bank might possibly face are credit risk, market risk, and liquidity risk of items on and off the statements of financial position.

The Bank has established and documented various risk management policies and procedures which have been approved by the board of directors. The board of directors of the Bank has ultimate responsibility for risk management and is responsible for the establishment and effectiveness of operation of risk management. There are a business development committee, credit committee, asset and liability management committee, risk management committee, trust property management committee, human recruitment committee, employee training committee, and information development committee to take charge of business development, business operation, risk controls, etc. The risk management committee is responsible for the principles, policies and targets of the Bank's overall risk control and is also responsible for coordination among committees. Internal control is in charge of the independent check of the risk controls.

#### 1) Credit risk

##### a) Source and definition of credit risk

Credit risk refers to the risk of financial loss of the Bank and its subsidiaries resulting from a borrower failing to meet its contractual obligations due to credit deterioration or other factors (such as an argument between the borrower and a counter-party).

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

b) Credit risk management policy

The Bank's target is to develop a sound system of credit risk management mechanisms by using effective identification, measurement, communication and reporting, monitoring and management of the various credit risks to control possible credit risk at a tolerable level, to maintain adequate capital, to increase the return on assets after adjustments, to connect the risk level and business strategies, and to achieve the business and operation goals by gradually making transparent, systematizing, and professional the credit risk management.

c) Credit risk management scope

The Bank engages in activities on and off the statement of financial position, which would cause (occurred or not yet occurred) credit risk. The activities are the overall credit business, overdue loan business, and use of credit risk mitigation tools (such as the provision of collateral guarantees and hedging) as well as other operations related to the product or parts of the credit risk associated with the activities aforementioned included in the scope of credit risk management mechanisms.

d) Credit risk management procedures

The credit risk management procedures include risk identification, measurement, communication, monitoring, and reporting. To maintain the standard of credit business at a safe and moderate level, to monitor the credit risk, to evaluate new business opportunities, and to identify and manage problems in credit cases, the business department must follow all the procedures of the Bank when conducting business. To ensure credit risk at a tolerable level, each credit case must be authorized by decentralized procedures which include a serious review process to improve the quality of assets, reassessment and an early alarm system after authorizing loans to fully grasp the operating and financial information of the client and the status of the economy, and continuous evaluation and monitoring of changes in credibility to early discover any information which has not been announced publicly and to detect any indication of default risk. Thus, the Bank could control the quality of assets at a tolerable level, balance the risks and profitability, and also improve the business performance and benefit the investors.

e) Determining the credit risk has increased significantly since the initial recognition

- i) At each reporting date, the Bank shall determine whether the credit risk of financial assets has increased significantly since initial recognition and measures loss allowances at an amount equal to lifetime expected credit loss (ECL).

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

If one or more of the following conditions are satisfied, the credit risk of financial asset is determined as increased significantly:

1. In accordance with the internal rules of the Bank, wherein the status of the debtor is “Alerts” but no tracking is required.
2. The status of the debtor is “Normal” and overdue is more than 30 days.
3. The debtor has reached its overdue and made the repayment 7 days thereafter, through negotiation with the Bank.
4. TCRI rating of the debtor has dropped two degree (or more), or dropped one degree but with “C” or “D”.

- ii) Low credit risk: If the credit risk of a financial instrument is assessed as low, the Bank may consider it as insignificant since initial recognition.

f) Definition of financial assets being credit impaired

If one or more of the following conditions are satisfied, the financial asset is determined to be credit impaired:

- i) Status of the debtor is “Overdue” or “Recoverable”.
- ii) The debtor has reached its overdue and made the repayment over 7 days, through negotiation with the Bank.
- iii) Other special or abnormal condition which is assessed to be listed.

g) Write-off policies

The Bank writes-off uncollectable receivables after reporting to the Board. Adjustments for provision were made after recovery of the write-offs.

h) Measurement of expected credit loss (ECL)

- i) Adopted methods and assumptions

For financial assets with low credit risk and no significant increase in credit risk since the initial recognition, the 12-month expected credit loss amount is used to measure the allowance loss. For various financial assets that have been significantly increased in credit risk or credit impaired since the initial recognition, the lifetime expected credit loss amount is used to measure the allowance loss.

To measure the expected credit loss, the Bank considers the borrower's probability of default (PD) for the next 12 months and its lifetime, and then include the loss given default (LGD) multiplied by the exposure at default (EAD), and considers the impact of the time value of money to calculate the expected credit losses for 12 months and lifetime, respectively.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

PD is the default probability of the borrower, and LGD is the rate of loss caused by default by the borrower. PD and LGD used in the impairment assessment for various loans businesses of the Bank are calculated after adjusting historical data based on internal historical information (such as credit loss experience) of each combination, and based on the current observable information and forward-looking general economic information.

ii) Consideration of forward-looking information

When the Bank measure ECL in various types of financial assets, it takes into consideration the forward-looking information, performs the forward-looking model estimations based on the nature of loan products, and establishes credit risk link models based on past default rates and overall economic information. The model estimates the relationship between the default rate and the overall economic information, and establishes a model to predict the forecast value of the overall economic information to predict the default rate in the following year. Then, the forward-looking adjustments are applied to the ECL. In principle, the validity of the abovementioned forward-looking model is examined annually.

i) Credit risk hedging policy

i) Strengthening security

Besides strengthening the reviews process, setting risk limits, adjusting credit amounts and conditions, and monitoring loans, the Bank is also increasing the pledged amount and the quality of guarantee to reduce credit risk. Also, the Bank has established standards and measurement, management, and disposal procedures for pledged assets.

ii) Managing credit concentration risk limits and risk management

To avoid the risk of business concentration, the Bank sets limits to its main business by country, by industry, by group, and by individual client each year. The limits are reviewed and updated yearly according to the overall economic environment and industrial development prospects. Transactions are kept within prescribed limits to control the risk of business concentration. In addition, for credit for individual companies and groups, the Bank also sets limits for industries, individuals, related parties, and related companies of the same group. Monthly reporting of changes in circumstances and the credit limits is required to implement the principle of spreading risk to ensure stable operation.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

j) Maximum exposure to credit risk

Without taking any collateral or other credit enhancement mitigation effect into account, the maximum exposure to credit risk of on-balance sheet financial assets is equal to their carrying values and the maximum exposure to credit risk of off-balance sheet financial instruments were as follows:

	December 31, 2023	December 31, 2022
Unused amounts of irrevocable loan commitments	\$ 8,714,929	6,913,165
Unused amount of irrevocable letter of credit	3,275,039	2,923,773
Various guarantee proceeds	7,984,026	7,940,385
Total	<u>\$ 19,973,994</u>	<u>17,777,323</u>

Information on the maximum exposure and impact on financial statements related to on balance sheet and off-balance sheet items held as collateral, master netting arrangement, and other credit enhancements were as follows:

December 31, 2023	Collateral	Master netting arrangement	Other credit enhancement	Total
<b><u>Items on statement of financial positions</u></b>				
Loans and discounts	\$ 155,932,451	-	53,194,268	209,126,719
Acceptance receivables	5,394	-	1,745,310	1,750,704
<b><u>Items off statement of financial positions</u></b>				
Various guarantee proceeds	1,875,448	-	6,108,578	7,984,026
Total	<u>\$ 157,813,293</u>	<u>-</u>	<u>61,048,156</u>	<u>218,861,449</u>

December 31, 2022	Collateral	Master netting arrangement	Other credit enhancement	Total
<b><u>Items on statement of financial positions</u></b>				
Loans and discounts	\$ 147,345,810	-	48,205,895	195,551,705
Acceptance receivables	4,411	-	1,661,149	1,665,560
<b><u>Items off statement of financial positions</u></b>				
Various guarantee proceeds	1,494,912	-	6,445,473	7,940,385
Total	<u>\$ 148,845,133</u>	<u>-</u>	<u>56,312,517</u>	<u>205,157,650</u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

k) The Bank's credit risk concentration

The Bank attaches importance to the principles of credit risk diversification. For extension of credit and investment as a whole, the Bank has no concentration of credit risk on a single customer or counterparty. The Bank's credit exposure arises mainly from business loans based in Taiwan. Thus, there is no breakdown of credit risk by area. Concentration of credit risk by industry and collateral was as follows:

By industry

By industry	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Manufacturing	\$ 29,327,169	14.02	26,870,062	13.74
General businesses	80,074,491	38.29	71,720,573	36.68
Constructions	9,041,938	4.32	7,009,610	3.58
Individuals	73,523,538	35.16	71,776,691	36.71
Others	17,159,583	8.21	18,174,769	9.29
	<u>\$ 209,126,719</u>	<u>100.00</u>	<u>195,551,705</u>	<u>100.00</u>

By collateral

By collateral	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Non-secured	\$ 53,194,268	25.44	48,205,895	24.65
Secured	155,932,451	74.56	147,345,810	75.35
Financial collateral	6,531,421	3.12	6,248,079	3.19
Real estate	133,923,244	64.04	125,892,944	64.38
Guarantee	7,189,818	3.44	9,518,018	4.87
Others	8,287,968	3.96	5,686,769	2.91
	<u>\$ 209,126,719</u>	<u>100.00</u>	<u>195,551,705</u>	<u>100.00</u>

l) Credit quality and impairment analysis of overdue credit

Due to the high credibility of counterparties, the Bank has assessed the credit risk of the financial assets owned, for example, cash and cash equivalents, due from Central Bank and call loans to banks, financial assets at fair value through profit or loss, securities purchased under resell agreements, refundable deposits, operating deposits and settlement funds, to be low.

Though the financial assets may be overdue when the borrower has temporarily delayed its payment, no impairment has occurred. According to the Bank's policy, no impairment has occurred if the financial assets were less than 90 days overdue, unless other objective evidence appears.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

Additional credit quality analysis of financial assets was as follows:

i) Credit quality analysis for loans and discounts, and receivables

Name	December 31, 2023										
	12 months				Lifetime (not impaired)				Lifetime (impaired)	Allowance for impairment loss	Total
	Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal			
Items on statement of financial position											
Receivables											
Acceptance	\$ 1,750,704	-	-	1,750,704	-	-	-	-	-	17,507	1,733,197
Loan interest	395,002	1,082	49	396,133	18,716	174	267	19,157	1,878	8,414	408,754
Others	542,225	3	-	542,228	123	-	2	125	4,491	6,652	540,192
Loans and discounts	203,357,614	345,881	19,311	203,722,806	4,378,825	17,290	26,825	4,422,940	980,973	2,557,205	206,569,514
Non-performing loans	-	-	-	-	-	-	-	-	27,422	27,422	-
	<u>\$ 206,045,545</u>	<u>346,966</u>	<u>19,360</u>	<u>206,411,871</u>	<u>4,397,664</u>	<u>17,464</u>	<u>27,094</u>	<u>4,442,222</u>	<u>1,014,764</u>	<u>2,617,200</u>	<u>209,251,657</u>
Items off statement of financial position											
Guarantees	\$ 7,967,226	-	-	7,967,226	-	-	-	-	16,800	95,070	7,888,956
Letter of Credit	3,275,039	-	-	3,275,039	-	-	-	-	-	10,819	3,264,220
Loan Commitments	8,714,929	-	-	8,714,929	-	-	-	-	-	22,023	8,692,906

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**Bank of Panhsin**  
**Notes to the Financial Statements**

Name	December 31, 2022										
	12 months				Lifetime (not impaired)				Lifetime (impaired)	Allowance for impairment loss	Total
	Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal			
Items on statement of financial position											
Receivables											
Acceptance	\$ 1,665,560	-	-	1,665,560	-	-	-	-	-	17,687	1,647,873
Loan interest	314,213	1,092	98	315,403	17,481	98	268	17,847	2,116	8,409	326,957
Others	544,604	3	2	544,609	124	2	10	136	6,853	8,628	542,970
Loans and discounts	190,892,781	278,385	34,152	191,205,318	2,868,243	15,881	36,626	2,920,750	1,425,637	2,383,479	193,168,226
Non-performing loans	-	-	-	-	-	-	-	-	43,822	34,920	8,902
	<u>\$ 193,417,158</u>	<u>279,480</u>	<u>34,252</u>	<u>193,730,890</u>	<u>2,885,848</u>	<u>15,981</u>	<u>36,904</u>	<u>2,938,733</u>	<u>1,478,428</u>	<u>2,453,123</u>	<u>195,694,928</u>
Items off statement of financial position											
Guarantees	\$ 7,254,769	-	-	7,254,769	-	-	-	-	685,616	92,064	7,848,321
Letter of Credit	2,923,773	-	-	2,923,773	-	-	-	-	-	9,538	2,914,235
Loan Commitments	6,913,165	-	-	6,913,165	-	-	-	-	-	21,933	6,891,232

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**Bank of Panhsin**  
**Notes to the Financial Statements**

ii) Credit quality analysis for marketable securities

Name	December 31, 2023										
	12 months				Lifetime (not impaired)						
	Investment grade	Non-investment grade	No credit ratings	Subtotal	Investment grade	Non-investment grade	No credit ratings	Subtotal	Lifetime (impaired)	Accumulated impairment loss	Total
Financial assets at fair value through other comprehensive income											
Debt instrument investment	\$ 15,874,569	-	-	15,874,569	-	-	-	-	-	3,351	15,871,218
Debt instrument investment at amortized cost											
Debt instrument investment	53,519,056	-	-	53,519,056	-	-	-	-	-	2,740	53,516,316

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**Bank of Panhsin**  
**Notes to the Financial Statements**

Name	December 31, 2022										
	12 months				Lifetime (not impaired)				Lifetime (impaired)	Accumulated impairment loss	Total
	Investment grade	Non- investment grade	No credit ratings	Subtotal	Investment grade	Non- investment grade	No credit ratings	Subtotal			
Financial assets at fair value through other comprehensive income											
Debt instrument investment	\$ 15,930,187	-	-	15,930,187	-	-	-	-	-	7,335	15,922,852
Debt instrument investment at amortized cost											
Debt instrument investment	52,110,447	-	-	52,110,447	-	-	-	-	-	1,426	52,109,021

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

2) Market risk, liquidity risk, and interest rate risk

a) Risk management framework

Market risk, liquidity risk, interest rate risk, and other risks related to daily operations are managed by the Bank.

i) Market risk

This is the risk that market prices of assets go against the position of the Bank. Market prices refer to interest rates, stock prices, foreign exchange rates, and commodity prices.

ii) Liquidity risk

This is the risk that a given security or asset has difficulty in being sold in the market to fulfill financial obligations. This may cause a loss or a capital decrease for the Bank.

iii) Interest risk

This is the risk that an investment's value changes due to a change in interest rates. A change in interest rates can affect net interest income and income from other interest-sensitive assets, and inversely affect the Bank's earnings. Simultaneously, it can also affect the valuation gain or loss on and off the statement of financial position the statement of financial position.

b) Risk management process

The Bank's risk management process includes risk identification, measurement, assessment, and reporting. The risks relate to the Bank's trading activities and process, commodity trading, and system. All such risks are managed on a daily basis.

i) Risk identification

1. Market risk

The Bank's sales department and risk management department must understand the sources of market risk, market risk factors, and the aftermath of a market downturn. In addition to understanding the risks mentioned above, the Bank also must know the impacts on the business.

2. Liquidity risk

The Bank's sales department and risk management department must understand that liquidity risk comes from mismatch between assets and liabilities either on or off the statement of financial position.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

3. Interest rate risk

The Bank's sales department and risk management department must understand that interest rate risk comes from changes in interest rates due to pricing risk, yield curve risk, and basis risk that will have an impact on the Bank's earnings.

ii) Risk assessment and measurement

1. Market risk

The Bank measures market risk, including the level of risk acceptance and the level of concentration. In addition, it follows the capital adequacy rules under the Basel Accords and risk indicators issued by the authority. The Bank does not evaluate the risk with a model due to the simplicity of its business. The Bank evaluates its investment position by the following methods: (1) market prices, (2) prices of other similar assets, or (3) other adequate evaluation methods, which have to be used consistently.

2. Liquidity risk

The Bank assesses for measures liquidity risk by using all liquidity risk indicators, balance sheet mismatch, source of funds, use of funds, line of credit level, and plans for funding in the market.

3. Interest rate risk

The Bank's interest rate risk includes reprising risk, yield curve risk, and basis risk. Methods to assess and measure risk are analyzing (1) the interest sensitivity gap; (2) the capital adequacy ratio; (3) interest rate caps and floors; and (4) the structure of the position concentration ratio.

iii) Risk monitoring and control

The Bank has used several techniques such as credit limitation management, a stop-loss system, transaction quotas, the capital liquidity gap, and the interest sensitivity gap in order to monitor market risk, liquidity risk, and interest rate risk, and has a clear reporting process. Things monitored are the trading unit, financial instruments traded in whole or in part, the liquid reserve ratio, the core deposit ratio, net stable funding ratio, and the ratio of the Bank's interest-rate-sensitive assets to its interest-rate-sensitive liabilities (gap ratio).

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**Bank of Panhsin**  
**Notes to the Financial Statements**

iv) Risk reporting

The Bank has required departments involved in defined market risk, liquidity risk, and interest rate risk in the banking book to submit immediate, daily, or periodic transaction information to the business units. In cases where an overrun or an exception occurs, immediate notification is necessary. The risk management unit is responsible for providing information regarding risk position, the profit and loss situation, usage limits, etc., to the Board, Risk Management Committee, and Asset and Liability Management Committee and for providing other appropriate reports and recommendations of the Committees.

c) Maturity analysis of financial assets and financial liabilities

The management policy of the Bank is to match to the contractual maturity profile with the interest rate risk exposures of assets and liabilities and to manage unexpected cash outflow. Because of uncertainty, the maturities did not fully match the interest rates, resulting in gaps that may potentially give rise to gain or loss. The maturity analysis of assets and liabilities was as follows:

December 31, 2023							
Items	0~10 Days	11~30 Days	31~90 Days	91~180 Days	181 Days~ 1 Year	Over 1 Year	Total
<b>Assets</b>							
Cash and Deposits with other banks	\$ 9,351,276	415,217	1,065,195	1,267,374	2,561,482	2,901,509	17,562,053
Securities Investments	5,781,926	17,504,154	2,510,000	5,005,000	7,299,996	13,784,988	51,886,064
Securities purchased under resell agreements	1,981,718	99,869	-	-	-	-	2,081,587
Loans (including NPL)	6,627,050	7,296,181	15,504,830	18,823,885	36,299,791	106,304,700	190,856,437
Interest Receivables	104,018	192,441	38,558	82,549	45,670	6,700	469,936
Others	714,514	57,035	29,711	6,011	-	3,762,150	4,569,421
<b>Liabilities</b>							
Deposits from Central Bank and banks (including deposits transferred from the Post Office)	33,892	-	50,000	200,000	27,520	-	311,412
Demand deposits	866,287	1,732,573	5,197,720	7,796,580	15,593,161	79,876,077	111,062,398
Time deposits	3,336,473	10,404,454	25,964,794	29,276,418	59,321,216	4,974,412	133,277,767
Interest payables	126,080	28,646	54,166	54,017	76,178	5,015	344,102
Lease liabilities	-	15,336	28,501	42,330	72,151	255,545	413,863
Others	968,861	386,652	126,734	241,091	67,843	499,133	2,290,314

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**Notes to the Financial Statements**

December 31, 2022							
Items	0~10 Days	11~30 Days	31~90 Days	91~180 Days	181 Days~ 1 Year	Over 1 Year	Total
<b>Assets</b>							
Cash and Deposits with other banks	\$ 8,458,353	469,630	1,034,136	1,129,011	2,226,396	2,881,033	16,198,559
Securities Investments	6,757,473	8,769,761	210,016	5,665,000	10,810,000	19,554,978	51,767,228
Securities purchased under resell agreements	4,339,852	399,399	-	-	-	-	4,739,251
Loans (including NPL)	6,329,047	4,522,518	18,181,040	20,430,129	32,713,940	93,554,121	175,730,795
Interest Receivables	71,095	145,439	15,497	31,319	61,432	35,245	360,027
Others	593,915	58,752	52,152	4,955	-	3,623,328	4,333,102
<b>Liabilities</b>							
Deposits from Central Bank and banks (including deposits transferred from the Post Office)	33,932	-	50,000	200,000	27,520	-	311,452
Demand deposits	869,985	1,739,970	5,219,909	7,829,864	15,659,727	80,217,064	111,536,519
Time deposits	4,012,143	12,056,749	25,187,452	25,352,398	49,799,473	4,487,484	120,895,699
Interest payables	88,633	20,859	37,431	40,125	65,800	3,195	256,043
Lease liabilities	-	15,513	29,414	42,632	74,650	289,160	451,369
Others	993,090	376,520	140,557	272,373	77,009	498,375	2,357,924

d) **Maturity analysis of items off the statement of financial position**

The table below shows the maturity analysis of the items off the statement of financial position based on the remaining time until the contractual maturity date. For issued financial guarantee contracts, the maximum guaranteed amount included in the guarantee may be required to be paid at the very beginning of the contract period. The amount disclosed is based on contractual cash flows and may be different from that included in the statement of financial position.

December 31, 2023			
	Less than 1 year	Over 1 year	Total
Unused amount of irrevocable loan commitment	\$ 872,242	7,842,687	8,714,929
Unused amount of irrevocable letter of credit	3,133,862	141,177	3,275,039
Various guarantee proceeds	5,541,056	2,442,970	7,984,026

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**Notes to the Financial Statements**

	<b>December 31, 2022</b>		
	<b>Less than 1 year</b>	<b>Over 1 year</b>	<b>Total</b>
Unused amount of irrevocable loan commitment	\$ 1,311,384	5,601,781	6,913,165
Unused amount of irrevocable letter of credit	2,914,003	9,770	2,923,773
Various guarantee proceeds	1,595,483	6,344,902	7,940,385

e) **Maturity analysis of lease agreements and capital expenditure**

The lease contracts of the Bank are operating leases. The operating lease commitment is the future minimum rental payment under operating leases when the Bank is a lessee or lessor.

The capital expenditure commitment of the Bank is the contractual commitment for obtaining buildings and equipment.

Maturity analysis of lease agreements and capital expenditure is as follows:

<b>December 31, 2023</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Lease commitments				
Operating lease income (lessor)	\$ 130,348	374,612	-	504,960

<b>December 31, 2022</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Lease commitments				
Operating lease income (lessor)	\$ 94,763	205,898	-	300,661

f) **Market risk sensitivity analysis**

The Bank uses market risk sensitivity as a tool to manage risks. Market risk sensitivity is the change in the value of positions due to the change in specific market risk factors by one unit.

Interest rate sensitivity is the change in the price value of a basis point (PVBp) of future cash flow of the Bank's interest rate product position as the yield curve shifts up or down by 1bp on the statement of financial position date.

Exchange rate risk sensitivity refers to the assumption by the Bank that, with other risk factors remaining unchanged, if NTD depreciates or appreciates by 1% against each currency as of December 31, 2023 and 2022, and all other factors remain constant, the profit or loss as of December 31, 2023 and 2022 will increase or decrease by \$8,203 thousand and \$7,199 thousand, respectively.

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**Bank of Panhsin**  
**Notes to the Financial Statements**

The price risk of equity securities refers to the assumption by the Bank that, with other risk factors remaining unchanged, if the price of equity securities increases or decreases by 1% as of December 31, 2023 and 2022, the Bank's profit or loss will increase or decrease by \$128 thousand and \$177 thousand, respectively; other comprehensive income items will increase or decrease by \$2,353 thousand and \$1,629 thousand, respectively. The analysis for both periods is based on the same foundation.

Sensitivity analysis is as follows:

Main risk	Name	December 31, 2023	
		Impact amount	
		Equity	Gain or loss
Interest rate risk	Interest rate yield curve shifts up 1bp	(7,290)	(12,436)
	Interest rate yield curve shifts down 1bp	7,295	12,453
Foreign exchange risk	Exchange rate of each foreign currency against NTD increases by 1%	-	(8,203)
	Exchange rate of each foreign currency against NTD decreases by 1%	-	8,203
Equity securities price	Equity securities price increases by 1%	2,353	128
	Equity securities price decreases by 1%	(2,353)	(128)

Main risk	Name	December 31, 2022	
		Impact amount	
		Equity	Gain or loss
Interest rate risk	Interest rate yield curve shifts up 1bp	(8,317)	(6,896)
	Interest rate yield curve shifts down 1bp	8,323	6,900
Foreign exchange risk	Exchange rate of each foreign currency against NTD increases by 1%	-	(7,199)
	Exchange rate of each foreign currency against NTD decreases by 1%	-	7,199
Equity securities price	Equity securities price increases by 1%	1,629	177
	Equity securities price decreases by 1%	(1,629)	(177)

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**Notes to the Financial Statements**

g) Concentration of currency exposure information

<b>December 31, 2023</b>			
	<b>Foreign currency (thousand dollars)</b>	<b>Exchange rate ( dollars)</b>	<b>New Taiwan dollars (thousand dollars)</b>
<b>Financial assets</b>			
<b>Monetary item</b>			
USD	\$ 501,773	30.7350	15,421,993
EUR	12,130	34.0144	412,595
JPY	3,634,520	0.2174	790,145
HKD	139,107	3.9339	547,233
GBP	3,000	39.1841	117,552
CAD	845	23.2173	19,619
SGD	2,056	23.3123	47,930
CNY	288,263	4.3314	1,248,582
<b>Financial liabilities</b>			
<b>Monetary item</b>			
USD	\$ 1,118,454	30.7350	34,375,684
EUR	4,648	34.0144	158,099
JPY	4,585,606	0.2174	996,911
HKD	16,922	3.9339	66,569
AUD	23,245	21.0043	488,245
GBP	1,856	39.1841	72,726
CAD	3,481	23.2173	80,819
CHF	4	36.5371	146
NZD	2,109	19.4983	41,122
SGD	195	23.3123	4,546
ZAR	218,218	1.6594	362,111
CNY	382,893	4.3314	1,658,463

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**Notes to the Financial Statements**

		<b>December 31, 2022</b>		
		<b>Foreign currency (thousand dollars)</b>	<b>Exchange rate ( dollars)</b>	<b>New Taiwan dollars (thousand dollars)</b>
<b>Financial assets</b>				
<b>Monetary item</b>				
USD	\$	514,425	30.7080	15,796,963
EUR		15,796	32.7102	516,690
JPY		3,925,807	0.2323	911,965
HKD		163,740	3.9383	644,857
GBP		4,000	37.0523	148,209
CAD		57	22.6577	1,291
SGD		2,407	22.8635	55,032
CNY		340,702	4.4073	1,501,576
<b>Financial liabilities</b>				
<b>Monetary item</b>				
USD	\$	1,117,450	30.7080	34,314,655
EUR		7,789	32.7102	254,780
JPY		3,752,743	0.2323	871,762
HKD		18,569	3.9383	73,130
AUD		27,672	20.8231	576,217
GBP		1,087	37.0523	40,276
CAD		3,554	22.6577	80,525
CHF		3	33.2122	100
NZD		2,322	19.4290	45,114
SGD		116	22.8635	2,652
ZAR		210,632	1.8116	381,581
CNY		707,624	4.4073	3,118,711

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**Bank of Panhsin**  
**Notes to the Financial Statements**

h) Capital management

i) Capital management objectives

The capital management objective of the Bank is to have sufficient eligible capital to meet the capital requirements and the minimum legal capital adequacy ratio. The eligible capital and the authorized capital are calculated pursuant to the regulations set by the regulators.

To enable the Bank to have adequate capital to cover various risks, the required capital should be calculated based on the portfolio risk and the risk characteristics that the Bank faces. Optimal allocation of resources can be achieved by regularly reviewing the objectives of capital management.

ii) Capital management procedures

The Bank maintains adequate capital to meet the requirements of the authority and reports to the authority on a quarterly basis.

The Bank's regulatory capital is divided into Tier 1 Capital and Tier 2 Capital following the "Regulations Governing the Capital Adequacy and Capital Category of Banks".

1. Net Tier 1 Capital: The aggregate amount of net Common Equity Tier 1 and net additional Tier 1 Capital.
  - Net common equity Tier 1 Capital: Primarily consists of the aggregate amount of Common stock and its additional paid in capital, Capital collected in advance, Capital surplus, Legal reserve, Special reserve, accumulated profit or loss, Non-controlling interests, and Other equity interest items, minus intangible assets, deferred income tax assets due to losses from the previous year, the insufficiency of operational reserves and loan loss provisions, the revaluation surplus of real estate, and statutory adjustment items calculated in accordance with "the Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets".
  - Net additional Tier 1 Capital: Consists of the aggregate amount of noncumulative perpetual preferred stock and its additional paid in capital, noncumulative perpetual subordinated debts, additional Tier 1 Capital issued by the Bank's subsidiaries and not directly or indirectly held by the Bank, minus statutory adjustment items calculated in accordance with "the Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets".

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**Bank of Panhsin**  
**Notes to the Financial Statements**

2. Net Tier 2 Capital: Consists of the aggregate amount of cumulative perpetual preferred stock and its additional paid in capital, cumulative perpetual subordinated debts, convertible subordinated debts, long-term subordinated debts, non-perpetual preferred stock and its additional paid in capital, the increase in retained earnings when fair value or re-estimated value is adopted as deemed cost for the first-time adoption of IFRSs on premises, 45% of unrealized gains on changes in the fair value of investment properties using fair value method, as well as the 45% of unrealized gains on financial assets measured at fair value though other comprehensive income, operational reserves and loan-loss provisions, and Tier 2 Capital issued by the Bank's subsidiaries and not directly or indirectly held by the Bank, minus statutory adjustment items calculated in accordance with "the Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets".

The capital adequacy ratios of the Bank are disclosed below:

Analysis item			Period-end December 31, 2023	December 31, 2022
Eligible capital	Common equity		18,461,170	16,659,639
	Additional Tier I capital		1,909,000	1,909,000
	Tier II capital		5,393,215	5,150,925
	Eligible capital		25,763,385	23,719,564
Risk-weighted assets	Credit risk	Standardized approach	202,644,606	188,978,923
		Internal rating-based approach	-	-
		Securitization	-	-
	Operational risk	Basic indicator standardized approach	8,606,775	7,871,388
		Standardized approach / alternative approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	321,925	139,250
		Internal model approach	-	-
	Total risk-weighted assets		211,573,306	196,989,561
Capital adequacy ratio			12.18 %	12.04 %
Tier I captial ratio			9.63 %	9.43 %
Common equity Tier I ratio			8.73 %	8.46 %
Leverage ratio			6.02 %	5.79 %

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## Bank of Panhsin

### Notes to the Financial Statements

Note: 1. The calculation of eligible capital, risk-weighted assets, and the total amount of risk exposure shall follow the “Regulations Governing the Capital Adequacy and Capital Category of Banks” and “Explanation of Methods for Calculating the Eligible Capital and Risk-Weighted Assets of Banks”.

2. The table uses the calculation formulas as follows:

- (1) Eligible capital = common equity + additional Tier I capital + Tier II capital
- (2) Risk-weighted assets = credit risk-weighted assets + (capital requirement for operational risk + capital requirement for market risk) × 12.5
- (3) Capital adequacy ratio = eligible capital / risk-weighted assets
- (4) Common equity Tier I ratio = common equity / total risk-weighted assets
- (5) Tier I capital ratio = (common equity + other Tier I capital) / risk-weighted assets
- (6) Leverage ratio = Tier I capital / total exposure

#### (7) Related-party transactions

##### (a) Name and relationship of related parties

Related parties	Relationship
Panhsin Asset Management Co., Ltd.	Subsidiary
Panhsin International Leasing Co., Ltd.	Subsidiary
Xin Hui Construction Co., Ltd.	Related Party in substance
Cheng Hui Construction Co., Ltd.	Related Party in substance
Da Wang Construction Co., Ltd.	Related Party in substance
Shan Hui Construction Co., Ltd.	Related Party in substance
San Jun Construction Co., Ltd.	Related Party in substance
Other related parties	<p>The board of directors, general manager, vice general manager, and managers of the Bank, and according to IAS 24- Related Party Disclosures, related parties should include:</p> <ol style="list-style-type: none"> <li>1. The spouse or a relative within the second degree or closer of the Bank’s management.</li> <li>2. A company’s directors, supervisors, and general manager is the same person from the Bank’s management and above relatives.</li> </ol>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(b) Significant transactions with related parties

(i) Deposits

2023			
Name	Ending balance	Percentage of deposits	Interest rate (%)
Deposits by each related party not over 1% of total deposits	\$ <u>1,539,010</u>	<u>0.54</u>	0.00~8.57

2022			
Name	Ending balance	Percentage of deposits	Interest rate (%)
Deposits by each related party not over 1% of total deposits	\$ <u>1,383,122</u>	<u>0.51</u>	0.00~8.45

For the years ended December 31, 2023 and 2022, apart from an interest rate limit on staff demand savings deposits of 8.57% and 8.45%, respectively, the interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

For the years ended December 31, 2023 and 2022, interest expense paid on the above deposits were \$9,767 thousand and \$10,186 thousand, respectively.

(ii) Loans

2023							
Type of loan	Number of accounts or name of related party	Maximum during the period	Ending balance	Repayment		Collateral	Difference between terms and conditions offered to the accounts and to the general public
				On time	Overdue		
Employee credit loan	23	\$ 73,229	38,528	38,528	-	None	None
Mortgage	15	86,559	77,518	77,518	-	Real estate	None
Others	29	663,720	341,921	341,921	-	Real estate	None

2022							
Type of loan	Number of accounts or name of related party	Maximum during the period	Ending balance	Repayment		Collateral	Difference between terms and conditions offered to the accounts and to the general public
				On time	Overdue		
Employee credit loan	26	\$ 86,913	34,160	34,160	-	None	None
Mortgage	13	78,772	70,189	70,189	-	Real estate	None
Others	28	697,411	327,563	327,563	-	Real estate	None

For the years ended December 31, 2023 and 2022, interest income recognized for the above loans were \$9,834 thousand and \$8,133 thousand, respectively.

(Continued)



**Bank of Panhsin**  
**Notes to the Financial Statements**

(iii) Leases

1) As a lessor

Name	Rental income	
	2023	2022
Panshin Asset Management Co., Ltd.	\$ <u>2,400</u>	<u>2,400</u>

2) As a lessee

Name	Right-of-use assets	
	December 31, 2023	December 31, 2022
Xin Hui Construction Co., Ltd.	\$ 9,764	897
Cheng Hui Construction Co., Ltd.	9,764	897
Da Wang Construction Co., Ltd.	2,810	5,620
Shan Hui Construction Co., Ltd.	<u>9,683</u>	<u>15,797</u>
Total	\$ <u>32,021</u>	<u>23,211</u>

Name	Lease liabilities	
	December 31, 2023	December 31, 2022
Xin Hui Construction Co., Ltd.	\$ 9,824	945
Cheng Hui Construction Co., Ltd.	9,824	945
Da Wang Construction Co., Ltd.	2,957	5,835
Shan Hui Construction Co., Ltd.	<u>10,065</u>	<u>16,225</u>
Total	\$ <u>32,670</u>	<u>23,950</u>

Name	Lease payments	
	2023	2022
Xin Hui Construction Co., Ltd.	\$ 2,283	2,283
Cheng Hui Construction Co., Ltd.	2,283	2,283
Da Wang Construction Co., Ltd.	3,000	3,000
Shan Hui Construction Co., Ltd.	<u>6,485</u>	<u>6,485</u>
Total	\$ <u>14,051</u>	<u>14,051</u>

The leasing contracts between the Bank and the related parties are priced at the market rate, with payment terms based on normal conditions.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(iv) Other

- 1) For the years ended December 31, 2023 and 2022, the details of the Bank's selling a series of subordinated financial debentures to related parties were as follows:

<b>Related party</b>	<b>December 31, 2023</b>		<b>2023</b>
	<b>Ending balance</b>	<b>Interest rate (%)</b>	<b>Interest expense</b>
Other related parties	\$ <u><b>50,000</b></u>	4.75	<u><b>2,375</b></u>

<b>Related party</b>	<b>December 31, 2022</b>		<b>2022</b>
	<b>Ending balance</b>	<b>Interest rate (%)</b>	<b>Interest expense</b>
Other related parties	\$ <u><b>50,000</b></u>	4.75	<u><b>2,375</b></u>

- 2) Operating income (loss) between related parties:

<b>Name</b>	<b>2023</b>	<b>2022</b>
Other revenue		
Panshin Asset Management Co., Ltd.	\$ <u><b>24</b></u>	<u><b>19</b></u>

- (v) On May 31, 2023, the Bank's board of directors resolved the participation in the "Urban Renewal Project for 35 parcels of land, including parcel numbers 268-2 in the Wanhua Section, Wanhua District, Taipei City" using four parcels of land located at parcel numbers 277, 281, 282 and 284 in the Wantai Subsection, Wanhua Section, Wanhua District, Taipei City. On August 1, 2023, a construction commissioning contract was signed with the related party, San Jun Construction Co., Ltd., with a total commission construction amount of \$464,878 thousand.

(c) Primary management

	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ <u><b>68,017</b></u>	<u><b>50,947</b></u>
Post-employment benefits	\$ <u><b>438</b></u>	<u><b>610</b></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

**(8) Pledged assets:**

Pledged assets of the Bank were as follows:

<b>Pledged Assets</b>	<b>Pledged for</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Time deposit (recognized in AC)	Foreign currency — denominated overdraft guarantee	\$ 3,500,000	3,500,000
Government bonds (recognized in FVOCI)	Trust fund indemnity reserve deposits	59,642	49,356
	Provisional seizure	91,351	123,488
	Operating deposits for trading bills	49,701	49,356
	Settlement operating deposits for trading bonds	9,940	9,871
	Deposits for Taxation Administration, Ministry of Finance	182,902	130,300
Bank savings (recognized in other assets, net)	Settlement deposits for bonds	8,100	8,100
	Deposits for lawsuits	15	15
	Foreign currency — denominated overdraft guarantee	86,629	88,146
		<u><u>\$ 3,988,280</u></u>	<u><u>3,958,632</u></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

**(9) Commitments and contingencies:**

(a) Significant contingent liabilities and unrecognized contract commitments

(i) Significant purchase agreements

<b>December 31, 2023</b>		
<b>Contract name</b>	<b>Contract price</b>	<b>Unpaid portion of contract price</b>
Significant purchase agreements:		
Digital financial park construction	\$ 1,229,656	346,665
Wanhua District - Urban renewal	464,878	418,390
Software system	54,216	35,506
Tian ping, Tianwei Township, Changhua	37,371	24,796
Hardware equipment	26,219	10,680
Wanhua District — Old Bangka Branch Urban renewal	7,127	-
Total	<u><u>\$ 1,819,467</u></u>	<u><u>836,037</u></u>
<b>December 31, 2022</b>		
<b>Contract name</b>	<b>Contract price</b>	<b>Unpaid portion of contract price</b>
Significant purchase agreements:		
Digital financial park construction	\$ 1,214,399	857,235
Software system	37,216	22,290
Hardware equipment	4,596	1,852
Total	<u><u>\$ 1,256,211</u></u>	<u><u>881,377</u></u>

(ii) For significant leases agreements, please refer to note 6(an).

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(b) Other

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Consignment collection for others	\$ 6,557,150	8,001,014
Consignment released and loans for others	3,067,583	1,935,737
Collateral held as performance bond	37,395	60,451
Custodial securities	100,000	130,000
Trust assets	<u>64,369,790</u>	<u>57,648,142</u>
Total	<u><b>\$ 74,131,918</b></u>	<u><b>67,775,344</b></u>
Unused amounts of irrevocable loan commitments	<u><b>\$ 8,714,929</b></u>	<u><b>6,913,165</b></u>
Various guarantee proceeds	<u><b>\$ 7,984,026</b></u>	<u><b>7,940,385</b></u>
Unused amount of irrevocable letter of credit	<u><b>\$ 3,275,039</b></u>	<u><b>2,923,773</b></u>

(c) In accordance with local regulations, disclosure of accounts in the statement of financial position and a summary of trust asset items for trust business were as follows:

<b>Trust balance sheet</b>			
<b>December 31, 2023</b>			
<b>Trust assets</b>		<b>Trust liabilities</b>	
Bank deposits	\$ 14,951,018	Management fees payable	333
Investment in bonds	7,041,281	Trust capital—monetary trust	37,232,017
Investment in stocks	2,214,202	Trust capital—securities trust	1,019,723
Investment in funds	16,419,331	Trust capital—real estate	25,606,864
Land	19,726,773	Trust capital—land rights	-
Building	21,243	Net income	908,550
Construction in progress	3,995,942	Unappropriated earnings	(173,516)
Land rights	<u>-</u>	Deferred suspense accounts	<u>(224,181)</u>
Total trust assets	<u><b>\$ 64,369,790</b></u>	Total trust liabilities	<u><b>64,369,790</b></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

<b>Trust balance sheet</b>			
<b>December 31, 2022</b>			
<b>Trust assets</b>		<b>Trust liabilities</b>	
Bank deposits	\$ 13,603,719	Management fees payable	332
Investment in bonds	5,051,866	Trust capital—monetary trust	33,489,679
Investment in stocks	2,280,836	Trust capital—securities trust	1,099,410
Investment in funds	15,626,437	Trust capital—real estate	22,645,168
Land	17,111,435	Trust capital—land rights	-
Building	21,697	Net income	799,750
Construction in progress	3,952,152	Unappropriated earnings	(230,687)
Land rights	-	Deferred suspense accounts	(155,510)
Total trust assets	<u><b>\$ 57,648,142</b></u>	Total trust liabilities	<u><b>57,648,142</b></u>

**Trust income statement**

	<b>2023</b>	<b>2022</b>
Trust revenue:		
Interest revenue	\$ 269,891	164,649
Realized investment gain—funds	90,881	71,585
Realized investment gain—bonds	5,960	2,980
Realized investment gain—stock	19,795	32,736
Cash dividends revenue	<u>992,855</u>	<u>949,611</u>
Subtotal	<u>1,379,382</u>	<u>1,221,561</u>
Trust expenses:		
Management expenses	11,091	13,344
Trust fees	12,670	12,285
Realized investment loss—funds	397,348	355,769
Realized investment loss—bonds	29,078	27,857
Realized investment loss—stock	18,094	11,811
Other expenses	<u>14</u>	<u>11</u>
Subtotal	<u>468,295</u>	<u>421,077</u>
Net income before income tax	911,087	800,484
Income tax expense	<u>2,537</u>	<u>734</u>
Net income after income tax	<u><b>\$ 908,550</b></u>	<u><b>799,750</b></u>

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

<b>Trust asset register</b>	
<b>December 31, 2023</b>	
<b>Item</b>	<b>Amount</b>
Bank deposits	\$ 14,951,018
Investment in bonds	7,041,281
Investment in stocks	2,214,202
Investment in funds	16,419,331
Land	19,726,773
Building	21,243
Construction in progress	<u>3,995,942</u>
Total	<u><b>\$ 64,369,790</b></u>

<b>Trust asset register</b>	
<b>December 31, 2022</b>	
<b>Item</b>	<b>Amount</b>
Bank deposits	\$ 13,603,719
Investment in bonds	5,051,866
Investment in stocks	2,280,836
Investment in funds	15,626,437
Land	17,111,435
Building	21,697
Construction in progress	<u>3,952,152</u>
Total	<u><b>\$ 57,648,142</b></u>

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: Please refer to note 6(aa).**

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

**(12) Other:**

Supplementary disclosures of asset quality, overdue loans and receivables, concentration of credit extensions, interest rate sensitivity information, profitability, and the structure analysis of assets' and liabilities' time to maturity were as follows:

**(a) Asset quality**

Period			December 31, 2023				
			Overdue loan amount	Loan balance	Overdue ratio	Allowance for bad debts	Coverage ratio
Corporate banking	Secured		75,762	82,015,732	0.09 %	1,011,850	1,335.56 %
	Unsecured		92,950	53,559,845	0.17 %	648,412	697.59 %
Consumer banking	Mortgage		73,370	16,342,575	0.45 %	288,568	393.31 %
	Cash card		-	-	- %	-	- %
	Credit loan		227	233,361	0.10 %	3,660	1,612.33 %
	Others	Secured	21,240	55,616,877	0.04 %	589,180	2,773.92 %
		Unsecured	-	1,358,329	- %	15,535	- %
Total			263,549	209,126,719	0.13 %	2,557,205	970.30 %
			Overdue	Accounts receivable	Overdue ratio	Allowance for bad debts	Coverage ratio
Credit cards			-	-	- %	-	- %
Without-recourse factoring			-	30,197	- %	337	- %

Period			December 31, 2022				
			Overdue loan amount	Loan balance	Overdue ratio	Allowance for bad debts	Coverage ratio
Corporate banking	Secured		224,499	79,087,738	0.28 %	988,441	440.29 %
	Unsecured		15,956	48,879,779	0.03 %	551,709	3,457.69 %
Consumer banking	Mortgage		114,029	17,594,185	0.65 %	320,195	280.80 %
	Cash card		-	-	- %	-	- %
	Credit loan		429	258,374	0.17 %	5,367	1,251.05 %
	Others	Secured	19,475	48,372,477	0.04 %	503,678	2,586.28 %
		Unsecured	-	1,359,152	- %	14,089	- %
Total			374,388	195,551,705	0.19 %	2,383,479	636.63 %
			Overdue	Accounts receivable	Overdue ratio	Allowance for bad debts	Cover rate
Credit cards			-	-	- %	-	- %
Without-recourse factoring			-	106,145	- %	1,307	- %

(Continued)



**Bank of Panhsin**  
**Notes to the Financial Statements**

Exemption from reporting non-performing loans (NPL) and overdue receivables

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Excluded NPL</b>	<b>Excluded overdue receivables</b>	<b>Excluded NPL</b>	<b>Excluded overdue receivables</b>
As a result of debt consultation and loan agreement	1,884	-	4,391	-
As a result of debt solvency and restart plan	983	-	2,389	-
Total	2,867	-	6,780	-

(b) Information on concentration of credit risk

Unit: NTD thousand, %

<b>December 31, 2023</b>			
<b>Rank</b>	<b>Group company</b>	<b>Outstanding loan</b>	<b>Percentage of net worth (%)</b>
1	A United Group (2413 Rolling and Extruding of Iron and Steel)	2,243,628	10.62 %
2	B United Group (6499 Other Financial Service Activities)	2,103,146	9.95 %
3	C United Group (5510 Short-term Accommodation)	1,980,957	9.37 %
4	D United Group (6496 Private Finance)	1,884,621	8.92 %
5	E United Group (6700 Real Estate Development Activities)	1,701,446	8.05 %
6	F United Group (2779 Other Optical Instruments and Equipment Manufacturing)	1,607,204	7.61 %
7	G United Group (4631 Wholesale of Liquid, Gaseous Fuels and Related Products)	1,582,188	7.49 %
8	H United Group (6811 Real Estate Activities for Sale and Rental with Own or Leased Property)	1,564,120	7.40 %
9	I United Group (6700 Real Estate Development Activities)	1,430,843	6.77 %
10	J United Group (1850 Man-made Fibers Manufacturing)	1,386,706	6.56 %
	Total	17,484,859	

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

<b>December 31, 2022</b>			
<b>Rank</b>	<b>Group company</b>	<b>Outstanding loan</b>	<b>Percentage of net worth (%)</b>
1	K United Group (6499 Other Financial Service Activities)	2,300,320	11.89 %
2	L United Group (4620 Wholesale of Chemical Materials and Chemical Products)	2,129,310	11.01 %
3	B United Group (6429 Activities of Other Holding Companies)	2,051,645	10.61 %
4	C United Group (5510 Short-term Accommodation)	1,944,211	10.05 %
5	D United Group (6491 Financial Leasing)	1,880,113	9.72 %
6	F United Group (2779 Other Optical Instruments and Equipment Manufacturing)	1,765,450	9.13 %
7	M United Group (1121 Manufacture of Woven Cotton-type or Woolen-type Fabrics)	1,701,073	8.80 %
8	E United Group (6700 Real Estate Development Activities)	1,514,290	7.83 %
9	G United Group (4631 Wholesale of Liquid, Gaseous Fuels and Related Products)	1,501,340	7.76 %
10	H United Group (6811 Real Estate Activities for Sale and Rental with Own or Leased Property)	1,481,060	7.66 %
	Total	18,268,812	

Note: According to the total credit balance of credit-granting households, list the names of the top ten credit-granting enterprises that are not government or state-owned enterprises. If the credit-granting household is a group enterprise, the credit amount of the group enterprise should be returned to the household and added List and disclose by “code” plus “industry type” [such as company A (group) LCD panel and its component manufacturing industry], if it is a group company, it should disclose the industry with the greatest risk to the group company Type, industry category should be listed in the “Sub-category” industry name according to the industry standard classification of the main accounting department.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

(c) Interest rate sensitivity information

(i) Sensitivity analysis of interest rate for assets and liabilities (NTD)

December 31, 2023

Unit: NTD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 222,816,430	5,005,141	8,041,671	15,497,412	251,360,654
Interest-rate-sensitive liabilities	89,839,479	123,203,760	28,005,015	8,164,440	249,212,694
Interest-rate sensitivity gap	132,976,951	(118,198,619)	(19,963,344)	7,332,972	2,147,960
Net worth					21,131,985
Ratio of interest-rate-sensitive assets to liabilities					100.86
Ratio of interest-rate sensitivity gap to net worth					10.16

December 31, 2022

Unit: NTD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 201,766,123	5,665,567	10,907,094	20,172,424	238,511,208
Interest-rate-sensitive liabilities	93,220,378	119,078,664	16,583,871	7,684,447	236,567,360
Interest-rate sensitivity gap	108,545,745	(113,413,097)	(5,676,777)	12,487,977	1,943,848
Net worth					19,339,528
Ratio of interest-rate-sensitive assets to liabilities					100.82
Ratio of interest-rate sensitivity gap to net worth					10.05

(ii) Sensitivity analysis of interest rate for assets and liabilities (USD)

December 31, 2023

Unit: USD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 561,971	39,897	5,000	750,317	1,357,185
Interest-rate-sensitive liabilities	1,091,854	166,459	80,936	927	1,340,176
Interest-rate sensitivity gap	(529,883)	(126,562)	(75,936)	749,390	17,009
Net worth					18,397
Ratio of interest-rate-sensitive assets to liabilities					101.27
Ratio of interest-rate sensitivity gap to net worth					92.46

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

December 31, 2022

Unit: USD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 586,109	40,612	998	607,582	1,235,301
Interest-rate-sensitive liabilities	953,435	122,949	134,196	-	1,210,580
Interest-rate sensitivity gap	(367,326)	(82,337)	(133,198)	607,582	24,721
Net worth					11,217
Ratio of interest-rate-sensitive assets to liabilities					102.04
Ratio of interest-rate sensitivity gap to net worth					220.39

(d) Profitability

Unit: %

Item		December 31, 2023	December 31, 2022
Return on total assets	Before income tax	0.61	0.64
	After income tax	0.54	0.56
Return on net worth	Before income tax	9.40	10.06
	After income tax	8.34	8.72
Profit margin		34.33	34.19

Note 1: Return on total assets = Income before (after) income tax / Average total assets

Note 2: Return on net worth = Income before (after) income tax / Average net worth

Note 3: Profit margin = Income after income tax / Total operating revenues

Note 4: Income before (after) income tax is the income for the whole year.

(e) Structure analysis of assets' and liabilities' time to maturity

(i) Duration analysis in New Taiwan dollars

December 31, 2023

Unit: NTD thousand

	Total	Aging for remaining period until expiration					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~ 1year	Over 1 year
Capital provided	\$274,666,525	24,560,502	25,564,897	19,148,294	25,184,819	46,206,939	134,001,074
Capital used	351,867,233	6,103,976	14,112,426	36,453,211	44,866,881	89,760,958	160,569,781
Spread	(77,200,708)	18,456,526	11,452,471	(17,304,917)	(19,682,062)	(43,554,019)	(26,568,707)

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

December 31, 2022

Unit: NTD thousand

	Total	Aging for remaining period until expiration					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Capital provided	\$259,989,239	26,549,735	14,365,499	19,492,841	27,260,414	45,811,768	126,508,982
Capital used	334,783,160	6,743,404	15,700,853	35,138,489	40,447,981	79,125,357	157,627,076
Spread	(74,793,921)	19,806,331	(1,335,354)	(15,645,648)	(13,187,567)	(33,313,589)	(31,118,094)

(ii) Duration analysis in US dollars

December 31, 2023

Unit: USD thousand

	Total	Aging for remaining period until expiration				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Capital provided	\$ 1,465,687	242,503	69,882	43,488	92,575	1,017,239
Capital used	1,848,836	680,096	423,171	207,760	159,011	378,798
Spread	(383,149)	(437,593)	(353,289)	(164,272)	(66,436)	638,441

December 31, 2022

Unit: USD thousand

	Total	Aging for remaining period until expiration				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Capital provided	\$ 1,335,240	206,954	94,203	69,865	64,767	899,451
Capital used	1,778,458	538,829	427,207	170,976	210,852	430,594
Spread	(443,218)	(331,875)	(333,004)	(101,111)	(146,085)	468,857

**(13) Other disclosures:**

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Publicly Held Banks”:

(i) Loans to other parties: Not applicable for banking industry; Subsidiaries:

Unit: NTD thousand

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period (%)	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Panhsin Asset Management	Tang Hsi Construction Co., Ltd.	Accounts Receivable	No	350,000	350,000	346,800	5.35~8.87	1	346,800	None	5,202	None	-	637,002	4,459,014
1	Panhsin Asset Management	Heng He Construction Co., Ltd.	Accounts Receivable	No	80,000	80,000	17,103	5.35~8.87	1	17,103	None	257	None	-	637,002	4,459,014
1	Panhsin Asset Management	Yonglian Construction Co., Ltd.	Accounts Receivable	No	104,100	102,951	28,550	5.35~8.87	1	28,550	None	428	Real Estate	31,830	637,002	4,459,014

(Continued)

## Bank of Panhsin

### Notes to the Financial Statements

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period (%)	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Panhsin Asset Management	Baohe Construction Co., Ltd.	Accounts Receivable	No	75,900	74,989	17,450	5.35~8.87	1	17,450	None	262	Real Estate	19,450	637,002	4,459,014
1	Panhsin Asset Management	Rong Zhou Construction Co., Ltd.	Accounts Receivable	No	508,000	508,000	381,300	5.35~8.87	1	381,300	None	5,720	Real Estate	44,629	637,002	4,459,014
1	Panhsin Asset Management	He Yun Development Co., Ltd.	Accounts Receivable	No	469,000	469,000	-	5.35~8.87	1	-	None	-	None	-	637,002	4,459,014
2	Panhsin International Leasing Co., Ltd.	Han Zhen Ltd.	Accounts Receivable	No	29,500	29,329	29,500	5.23	2	-	Working Capital	298	Real Estate	72,694	107,950	172,720
2	Panhsin International Leasing Co., Ltd.	Hong Zhan Construction Co., Ltd.	Accounts Receivable	No	34,904	-	35,000	6.00	2	-	Working Capital	-	Real Estate	47,540	107,950	172,720
2	Panhsin International Leasing Co., Ltd.	Zhu Yi Development Construction Co., Ltd.	Accounts Receivable	No	10,000	9,994	10,000	5.21	2	-	Working Capital	105	Real Estate	57,351	172,720	172,720
2	Panhsin International Leasing Co., Ltd.	Shun Xin Professional Construction Co., Ltd.	Accounts Receivable	No	14,200	-	14,200	-	2	-	Working Capital	-	None	-	107,950	172,720

Note 1: The explanation in the number column is as follows:

- (1) Issuer fills in 0.
- (2) Invested companies are numbered sequentially starting from the Arabic number 1 according to company type.

Note 2: The quota / amount of loan to others for funds still valid.

Note 3: The capital loan and nature should be filled in:

- (1) For business correspondence fill in 1.
- (2) If necessary for short-term financing, fill in 2.

Note 4: Loans and limits for individual target funds:

- (1) For loans without collateral, the limit is 1 time of the net value of the latest financial report of Panhsin Asset Management; for loans with collateral, the limit is 2 times of the net value of the latest financial report.
- (2) For loans due to business relationships, if there is no full guarantee, the limit is 25% of the net value of the latest financial report of Panhsin International Leasing Co., Ltd.; with full guarantee, the limit is 75% of the net value of the latest financial report.
- (3) For loans due to the need for short-term financing, if there is no full guarantee, the limit is 25% of the net value of the latest financial report of Panhsin International Leasing Co., Ltd.; with full guarantee, the limit is 40% of the net value of the latest financial report.

Note 5: Limit of loaning of funds:

- (1) The total amount of funds and loans is limited to 7 times of the net value of the latest financial report of Panhsin Asset Management, deducting the total amount of funds invested and real estate purchased.
- (2) For loans due to business relationships, the limit is 1 time of the net value of the latest financial report of Panhsin International Leasing Co., Ltd.; for loans due to the need for short-term financing, the limit is 40% of the net value of the latest financial report.

- (ii) Guarantees and endorsements for other parties: Not applicable for banking industry; Subsidiaries: None.
- (iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): Not applicable for banking industry; Subsidiaries: None.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD 300 million or 10% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of TWD 300 million or 10% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of TWD 300 million or 10% of the capital stock: None.

(Continued)

**Bank of Panhsin**  
**Notes to the Financial Statements**

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD 50 million: None.
- (viii) Receivables from related parties with amounts exceeding the lower of TWD 300 million or 10% of capital stock: None.
- (ix) Trading in derivative instruments: Not applicable for banking industry; Subsidiaries: None.
- (x) Information regarding selling non-performing loans:
  - 1) Summary table of selling non-performing loans: None.
  - 2) Selling non-performing loans by single over TWD 1 billion: None.
- (xi) Approved securitization instrument types and related information according to “asset-backed securitization” or “mortgage-backed securitization”: None.
- (xii) Other material transaction items which were significant to people who use the information in the financial statements: None.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Unit: NTD thousand/Thousands of shares

Name of investee	Investee Location	Investee's operation	Percentage of ownership	Book Value of investments	Gain(loss) recognized due the period	Aggregate shareholding of the Company and its subsidiaries				Remark
						Number of shares	Pro forma number of shares	Total		
								shares	Percentage	
Panhsin Asset Management Co., Ltd.	Banqiao City, New Taipei City	Purchasing non-performing loans; Parking business; Urban renewal financing	100.00 %	637,229	44,731	56,000	-	56,000	100.00 %	subsidiary
Panhsin International Leasing Co., Ltd.	Banqiao City, New Taipei City	Rental and leasing	100.00 %	431,801	10,721	41,584	-	41,584	100.00 %	subsidiary

(c) Information on investment in mainland China: None

**(14) Segment information:**

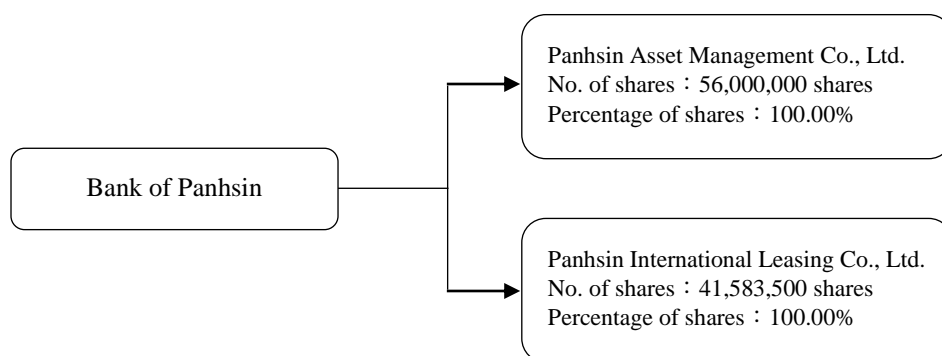
Please refer to Chinese consolidated financial statements for the year ended December 31, 2023.

## Special disclosures

### I 、Affiliate information

#### (I) Affiliate organizational structure

Baseline date: December 31, 2023



#### (II) Profiles of affiliates

Company name	Date of establishment	Address	Paid-in capital (NT\$1,000)	Main businesses/products
Panhsin Asset Management Co., Ltd.	2005.06.02	6F, No.210, Sec. 1, Sanmin Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	560,000	Purchase of non-performing assets
Panhsin International Leasing Co., Ltd.	2014.11.03	6F, No. 66, Chongqing Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	415,835	Property/Lease

#### (III) Information of common shareholders who are presumed to have a relationship of control and subordination: N/A.

#### (IV) Information of Directors, Supervisors, and Presidents of affiliates.

Baseline date: December 31, 2023

Company name	Position	Name or representative	Shares held	
			No. of shares (shares)	Percentage (%)
Panhsin Asset Management Co., Ltd.	Chairman	Dai-Ming Kuo (representative of Bank of Panhsin)		
	Director	Tung-Jen Lin (representative of Bank of Panhsin)		
	Director	Lin-Long Chien (representative of Bank of Panhsin)		
	Director	Biing-Hwa Liu (representative of Bank of Panhsin)	56,000,000	100.00
	Director	Shih-Chi Wu (representative of Bank of Panhsin)		
	Supervisor	Li-Chin Wei (representative of Bank of Panhsin)		
	President	Pang-Hsi Chang		
Panhsin International Leasing Co., Ltd.	Chairman	Yung-Lun Lee (representative of Bank of Panhsin)		
	Director	Sharon Chen (representative of Bank of Panhsin)		
	Director	Shih-Yang Liu (representative of Bank of Panhsin)	41,583,500	100.00
	Director	Yun-Mei Meng (representative of Bank of Panhsin)		
	Supervisor	Chiung-Chi Huang (representative of Bank of Panhsin)		
	President	Hung-Yueh Chen		



## Directory of Head Office & Branches

Units	Address	Telephone	Fax
Head Office	No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)29572011
International Banking Department	27F., No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)89646006
Offshore Banking Branch	27F., No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)89646006
Trust Department	24F., No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)29623668
Domestic Banking Department	No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)89514488	(02)29574588
Banciao Branch	No.11, Sec. 1, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29689101	(02)29665807
Houpu Branch	No.18, Chengdu St., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629121	(02)89538113
Puqian Branch	No.100, Sec. 2, Zhongshan Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629106	(02)29541499
Huajiang Branch	No.382, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)22529101	(02)82537007
Minzu Branch	No.339, Hansheng E. Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629111	(02)29581242
Wenhua Branch	No.261, Sec. 1, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)22587777	(02)22593584
Daguan Branch	No.155, Sec. 2, Daguan Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)22756566	(02)22752574
Zhongzheng Branch	No.252, Minquan Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)89658998	(02)89682156
Yonghe Branch	No.12, Renai Rd., Yonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)29299481	(02)29210495
Xiulang Branch	No.118, Dehe Rd., Yonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)29417966	(02)29498035
Fuhe Branch	No.45, Yongzhen Rd., Yonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)89211919	(02)89213377
Zhonghe Branch	No.232, Zhonghe Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)22498756	(02)22497418
Xingnan Branch	No.338, Jingxin St., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)29459366	(02)29458495
Yuanshan Branch	No.753, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)22259199	(02)22260657
Tucheng Branch	No.289, Sec. 1, Zhongyang Rd., Tucheng Dist., New Taipei City, Taiwan (R.O.C.)	(02)22629119	(02)22654536
Jincheng Branch	No.91, Sec. 3, Jincheng Rd., Tucheng Dist., New Taipei City, Taiwan (R.O.C.)	(02)82615666	(02)22709241
Xinzhuang Branch	No.719, Xingfu Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.)	(02)29906699	(02)29900433
Danfeng Branch	No.706, Zhongzheng Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.)	(02)29033199	(02)29033488
Sanchong Branch	No.35, Sec. 4, Chongyang Rd., Sanchong Dist., New Taipei City, Taiwan (R.O.C.)	(02)89839966	(02)29871976
Shulin Branch	No.58, Zhenqian St., Shulin Dist., New Taipei City, Taiwan (R.O.C.)	(02)86755666	(02)86755656

Units	Address	Telephone	Fax
Xindian Branch	No.60, Minquan Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.)	(02)89113377	(02)89113661
Beixin Branch	No.17, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.)	(02)29115428	(02)29124753
Luzhou Branch	No.258, Minzu Rd., Luzhou Dist., New Taipei City, Taiwan (R.O.C.)	(02)82850666	(02)82835789
Xizhi Branch	No.91-2, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)	(02)26972959	(02)26973500
Antung Branch	No.188, Sec. 2, Bade Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)27110633	(02)27417381
Fuxing Branch	No.426, Fuxing N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)25151488	(02)25184088
Tachih Branch	No.632, Bei'an Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)25329933	(02)25321086
Nanjing E. Rd. Branch	No.130, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)27722629	(02)27720569
Minsheng Branch	No.133-1, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	(02)87129966	(02)27120222
Bade Branch	No.360, Sec. 2, Bade Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	(02)27528833	(02)27405959
Minquan Branch	No.136, Minquan W. Rd., Datong Dist., Taipei City, Taiwan (R.O.C.)	(02)25575818	(02)25573258
Chungching Branch	No.27, Zhengzhou Rd., Datong Dist., Taipei City, Taiwan (R.O.C.)	(02)25558151	(02)25591831
Kuting Branch	No.271, Sec. 3, Roosevelt Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.)	(02)23629211	(02)23620161
Mengchia Branch	1-2F., No.53, Sec. 2, Guiyang St., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23086165	(02)23066452
Shuangyuan Branch	No.145, Dongyuan St., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23011180	(02)23016894
Hsimen Branch	No.193, Hanzhong St., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23122155	(02)23116316
Wanta Branch	No.244, Wanda Rd., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23377719	(02)23370694
Xinyi Branch	No.127, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)	(02)27329999	(02)27334900
Sungshan Branch	No.196, Zhuangjing Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)	(02)27208541	(02)27203851
Shinlin Branch	No.79, Ln. 109, Dexing E. Rd., Shilin Dist., Taipei City, Taiwan (R.O.C.)	(02)28349361	(02)28333280
Neihu Branch	No.163, Sec. 4, Chenggong Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)87919999	(02)87919899
Ruiguang Branch	No.633, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)26560188	(02)26560166
Tunghu Branch	No.55, Donghu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)26312411	(02)26333251
Huandong Branch	No.108, Xinming Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)27965589	(02)27967988
Nangang Branch	No.218、220, Sec. 1, Nangang Rd., Nangang Dist., Taipei City, Taiwan (R.O.C.)	(02)25429999	(02)25311707
Hsinglung Branch	No.185, Sec. 2, Xinglong Rd., Wenshan Dist., Taipei City, Taiwan (R.O.C.)	(02)29320555	(02)29313382
Mucha Branch	No.236, Sec. 3, Muxin Rd., Wenshan Dist., Taipei City, Taiwan (R.O.C.)	(02)29362121	(02)29362883
Luodong Branch	No.119, Gongzheng Rd., Luodong Town, Yilan County, Taiwan (R.O.C.)	(03)9568866	(03)9557199

Units	Address	Telephone	Fax
Taoyuan Branch	No.360, Yong-an Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)	(03)3398777	(03)3396362
Taoying Branch	No.28-8, Yanping Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)	(03)3758999	(03)3660551
North Taoyuan Branch	No.449, Jingguo Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)	(03)3167377	(03)3165229
Longgang Branch	No.78, Longdong Rd., Zhongli Dist., Taoyuan City, Taiwan (R.O.C.)	(03)4657799	(03)4655511
Hsinchu Branch	No.56, Zihciang S. Rd., Jhubei City, Hsinchu County, Taiwan (R.O.C.)	(03)6581588	(03)6580189
Miaoli Branch	No.39, Zhongzheng Rd., Tongluo Township, Miaoli County, Taiwan (R.O.C.)	(037)985366	(037)985775
Taichung Branch	No.556, Sec. 1, Wunsin Rd., Nantun Dist., Taichung City, Taiwan (R.O.C.)	(04)23267799	(04)23266029
North Taichung Branch	No.186, Sec. 4, Wunsin Rd., North Dist., Taichung City, Taiwan (R.O.C.)	(04)22961798	(04)22961885
Shigang Branch	No.1018, Fengshi Rd., Shigang Dist., Taichung City, Taiwan (R.O.C.)	(04)25722025	(04)25722005
Chiayi Branch	No.298, Jhongshan Rd., West Dist., Chiayi City, Taiwan (R.O.C.)	(05)2279045	(05)2291649
Tainan Branch	No.189, Chongming Rd., East Dist., Tainan City, Taiwan (R.O.C.)	(06)3368799	(06)3361287
Chenggong Branch	No.457, Chenggong Rd., West Central Dist., Tainan City, Taiwan (R.O.C.)	(06)2113999	(06)2112388
Xiaogang Branch	No.213, Erling Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)8011161	(07)8023727
Xinxing Branch	No.65, Zhongzheng 4th Rd., Xinxing Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)2413168	(07)2514088
Qianzhen Branch	No.421, Rueilong Rd., Cianjhen Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)7513176	(07)7513380
Yangming Branch	No.178, Jyuemin Rd., Sanmin Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)3865111	(07)3828199
Kaoxinhuang Branch	No.485, Xinzhuangzai Rd., Zuoying Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)3412621	(07)3416142
Yanchao Branch	No.761, Zhongmin Rd., Yanchao Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)6169558	(07)6169006